

Virginia State Crime Commission

Medical Fraud Control Unit
Investigators

2011

Medical Fraud Control Unit Investigators

Executive Summary

During the 2011 Session of the General Assembly, House Bill 2454 (HB 2454) was introduced by Delegate Manoli Loupassi. This bill sought to classify Medicaid Fraud Control Unit (MFCU) investigators as law-enforcement officers – sworn to enforce the laws of the Commonwealth through the investigation of health care fraud and patient neglect/abuse. This bill was referred to the Crime Commission by letter from the House Courts of Justice Committee for study.

As a condition of receiving Medicaid funds, Virginia was required to establish a MFCU. Currently, the Virginia Attorney General's office has a MFCU, which is also authorized by Virginia Code § 32.1-320. In general, the MFCU investigates billing for unperformed services, billing for unnecessary services, embezzlement, kickbacks, inflating bills, and double billing.

At the July 25, 2011, Crime Commission meeting, representatives from the Office of the Attorney General provided a detailed presentation on this issue. According to the Attorney General's Office, if these investigators were considered law enforcement officers, they would be allowed to serve legal documents, execute search and arrest warrants, seize evidence of crimes, be armed and carry badges. Certification for these investigators would be managed by the Department of Criminal Justice Services.

There are four "core" purposes behind making MFCU investigators law enforcement officers, according to the Attorney General's Office:

1. Protecting state investigators - since investigators are required to take investigations into increasingly violent areas and are coming into contact with more violent criminals, including individuals involved with organized crime.
2. Saving money – as a law enforcement agency, the MFCU will have access to federal funding, by participating with the Organized Crime Drug Enforcement Task Force or the FDA Office of Criminal Investigations Task Force.
3. Enhancing investigative tools - by permitting prosecution of false statements to law enforcement officers, under both Virginia and federal law.
4. Streamlining cases - often outside law enforcement officers are brought in to serve subpoenas, execute search warrants, and participate in interrogations. This causes delay and duplicative efforts, and is a drain on state and local law enforcement agencies.

The Crime Commission members unanimously endorsed legislation that would authorize the Attorney General to designate MFCU investigators as sworn law enforcement officers, so they would be better able to handle medical fraud investigations.

During the 2012 Regular Session of the Virginia General Assembly, Delegate Manoli Loupassi introduced House Bill 988, which permits the Attorney General to designate MFCU investigators as sworn law enforcement officers.¹ This bill passed the House Courts of Justice Committee, but was left in the House Appropriations Committee.

¹ H.B. 988, 2012 Gen. Assemb., Reg. Sess. (Va. 2012).