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State Auditor Mike Foley and Department of Health & Human Services CEO Steve Corsi to Collaborate on Medicaid Abuse Problems

State Auditor Mike Foley and Steve Corsi, Chief Executive Officer of the Nebraska Department of Health and Human Services (DHHS), announced today that they will collaborate on an effort to root out longstanding fraud and abuse in a Medicaid-funded “personal assistance services” (PAS) program that was the subject of a recent State audit.

Under strict regulations, Medicaid-eligible clients with disabilities and chronic conditions are allowed to receive certain “personal assistance services,” such as hygiene, mobility, and housekeeping, etc., from an approved care provider after DHHS has conducted a needs assessment of allowable services. Those who provide such services are currently paid approximately \$13.52 per hour for their work.

For the past 10 years, State audit reports have noted serious deficiencies with the program.

In the latest management letter issued to DHHS, Auditor Foley’s team identified what appear to have been flagrant abuses, including suspected fraud committed by certain care providers fleecing the program to receive unearned payments.

Selecting a sample of service providers, the audit team found tens of thousands of dollars of questionable billings that should never have been approved. The team concluded that, based on the audit sample, the potential dollars at risk could easily exceed \$1 million and perhaps reach as high as nearly \$1.5 million.

Examples of the ostensible financial abuse and fraud include the following:

- A provider billed DHHS for 24.5 hours of service that she claimed to have provided in a single 24-hour day.

The same provider claimed to have provided 87.25 hours of service per week for three different clients despite simultaneously holding down two other jobs as a dental hygienist and pharmacy

technician. The audit team identified 101 workdays during which she billed DHHS for services supposedly delivered during the documented work hours of her other employment.

- Another provider was authorized to deliver 116.75 hours of service per week for four clients, which would have required 16 hours of work per day to accomplish. Nevertheless, she claimed to exceed that already excessive authorization by 4.5 hours in one week. She also exceeded the service authorization for 8 of 15 additional weeks. In December 2022, for instance, that provider billed DHHS for 32 hours of work supposedly performed in a single 24-hour day.

On another day, while her home was being targeted by a law enforcement raid that revealed Fentanyl and firearms, that same provider claimed to be away on vacation but somehow managed to bill DHHS for 14.5 hours of service nonetheless.

The provider also held two other jobs as a medical assistant and student bus driver. The audit team identified 40 workdays over a five-month period when her DHHS billings directly conflicted with the hours of her other employment.

- DHHS authorized another provider to deliver 97.5 hours of service per week for four clients despite holding other employment as well. In addition to claiming service hours already exceeding by far what would be expected of someone with only a single 40-hour-per-week job, this provider billed DHHS for services allegedly performed on at least nine days when her Facebook postings showed her to be traveling to Indianapolis, Dallas, and Phoenix.
- Another DHHS provider was authorized to deliver nearly 40 hours of service per week to each of three different clients – for a total of 118 hours weekly, roughly the equivalent of three fulltime jobs. The provider also received overtime pay, being compensated at time and one-half for services in excess of 40 hours each week. Aside from being fundamentally unrealistic, such an impossible schedule was highly likely to result in certain important client services not being performed, which the audit work confirmed.
- One provider was billing DHHS for personal services performed for two family members for whom she was already legally responsible – a practice expressly prohibited by Federal regulations governing the program.

According to Auditor Foley, the above examples, as well as others addressed in the management letter, have convinced him of the PAS program's desperate need of an overhaul. His audit team's findings will be turned over, he continued, to the Attorney General for further examination and potential prosecution for fraud.

DHHS agreed with the Auditor's recommendation and is excited to work in collaboration with the APA to improve the prevention of improper payments and to implement processes that will better identify potential fraud, waste, and abuse.

"I am delighted that Steve Corsi is now running DHHS," Auditor Foley stated, "as he is a no-nonsense administrator whom I trust implicitly to do everything in his power to address and, ultimately, resolve these crucial concerns. It will be a pleasure to collaborate with him in our complementary missions in State government."

“We look forward to continue working with State Auditor Foley to ensure taxpayer dollars are spent responsibly, and funds go to supporting Nebraska’s most vulnerable individuals,” said DHHS CEO Steve Corsi. “DHHS is grateful for the ongoing opportunity to improve as a result of Auditor Foley’s and the APA’s efforts on our behalf.”