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OWNER OF BUSINESS THAT CLAIMED TO PROVIDE PSYCHOTHERAPY SERVICES TO MEDICARE PATIENTS PLEADS GUILTY TO \$1.25 MILLION FRAUD

CHICAGO — A former Chicago woman, who claimed her business provided psychotherapy services to Medicare beneficiaries residing in skilled nursing facilities in the Chicago area, pleaded guilty to a federal healthcare fraud charge, admitting that she defrauded Medicare of more than \$1.25 million, federal law enforcement officials announced. The defendant, **Patricia Young**, 51, of Newton, Miss., and formerly of Chicago, owned and operated a defunct business, Healthy People 2000, Inc., through which she fraudulently purported to provide psychotherapy services using social workers and a physician.

Young pleaded guilty yesterday to one count of healthcare fraud at her arraignment after being charged in a criminal information that was filed on Dec. 15, 2010, in U.S. District Court. She faces a maximum penalty of 10 years in prison and a \$250,000 fine and restitution is mandatory. The Court may also impose a fine totaling twice the loss to any victim or twice the gain to the defendant, whichever is greater. A written plea agreement contemplates an advisory federal sentencing guideline range of 37 to 46 months in prison. U.S. District Judge Robert M. Dow, Jr., set sentencing for July 12.

According to the plea agreement, sometime before 2006, Young and an unnamed physician agreed that the physician would obtain a Medicare provider number associated with Healthy People, which he designated to receive third-party payments for claims billed under his provider number. Under this arrangement, the physician allowed Young to submit insurance claims for psychotherapy services performed by social workers and other providers. Medicare then directly reimbursed Healthy People for these services and Young paid a portion of the funds to the physician, knowing that he had taken no part in the therapy sessions. Further, she directed her social workers to perform group therapy sessions with patients and, if that was not possible, to perform individual therapy lasting no more than 20 minutes.

Between 2006 and 2008, Young submitted false claims to Medicare totaling more than \$5 million, as well as false claims of approximately \$76,450 to Blue Cross Blue Shield of Illinois. These claims resulted in payments to Healthy People of approximately \$1,258,623 by Medicare and \$11,534 by Blue Cross. Young knew that the claims were false in three material respects: first, that they stated the physician provided the claimed services when she knew that the physician did not provide or supervise the services and was not present at the skilled nursing facility when the services were being performed; second, that she billed all or almost all of the services using the most expensive reimbursement code for 45-50 minutes of individual therapy when she knew that she had instructed social workers to perform only group therapy or, at most, 20 minutes of individual therapy; and third, that she submitted claims for services on days when no service was rendered.

The guilty plea was announced by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois; Lamont Pugh, Special Agent-in-Charge of the U.S. Department of Health and Human Services Office of Inspector General in Chicago; Thomas P. Brady, Inspector-in-

Charge of the U.S. Postal Inspection Service in Chicago; and Robert D. Grant, Special Agent-in-Charge of the Chicago Office of Federal Bureau of Investigation.

The government is being represented by Assistant U.S. Attorney Samuel Cole.

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