

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA : **CRIMINAL NO.** _____
v. : **DATE FILED:** _____
RONALD F. BAILEY : **VIOLATIONS:**
18 U.S.C. § 1347 (health care fraud – 1
count)
18 U.S.C. § 982(a)(7) (criminal forfeiture)

INFORMATION

COUNT ONE

(Health Care Fraud)

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times relevant to this information:

Background

1. The Medicaid program was created by the federal government in 1965 under Title XIX of the Social Security Act. The program was jointly financed by the federal and state governments and administered at the state level. Medicaid provided health insurance coverage for many low-income individuals; offered long-term care assistance to individuals over the age of 65 and individuals with disabilities; covered gaps in the Medicare program; and funded institutions that served a disproportionate number of low-income patients with special needs. The federal government reimbursed states for a portion of the cost of their Medicaid programs depending on the state's per capita income. The Federal Medical Assistance Percentage in Pennsylvania in 2009 was 63.1%, meaning that of every 100 dollars spent on

services and populations covered by Medicaid, \$63.10 was paid by the federal government and \$36.90 was paid by the state.

2. The Community Care Behavioral Health Organization (“CCBH”) was a nonprofit organization that, since approximately 1999, managed the delivery of behavioral health services to Medicaid eligible individuals throughout the Commonwealth of Pennsylvania. It contracted with organizations such as the Chester County Intermediate Unit and Devereux, described below, to ensure that behavioral health services were provided to eligible participants in the Medicaid program.

3. The Chester County Intermediate Unit (“CCIU”), one of 29 regional educational agencies established by law in Pennsylvania in 1971, provided services to the 12 school districts in Chester County, including, among many others, special education services to children that were provided by behavioral specialist consultants and other professionals.

4. Chester County Regional Educational Services, Inc. (“CCRES”) was an organization that, among other things, supplied professional staff members who provided behavioral health services to students and families, and which worked in collaboration with school districts, intermediate units, and the behavioral health system. CCRES had a contract with CCIU to provide professional staff to the CCIU.

5. Devereux was a nonprofit organization that provided services around the nation for persons with emotional, developmental & educational disabilities. It had a contract with CCBH to provide professional staff to CCBH.

The Defendant

6. From in or about 2003 through in or about January 2010, defendant RONALD F. BAILEY, who holds a doctorate degree in education, was employed as a behavioral specialist consultant (“BSC”) with Chester County Regional Educational Services, Inc. (“CCRES”). CCRES was contracted with the Chester County Intermediate Unit (“CCIU”) to provide staff to the CCIU. Defendant RONALD BAILEY also worked as a BSC with Devereux from in or about July 2003 through January 2010.

7. As a BSC, defendant RONALD BAILEY served as a consultant to the treatment team for Medicaid beneficiaries and worked in collaboration with them in order to design behavioral interventions and behavioral modification interventions through a written plan which was individualized to the child or adolescent and to the family’s needs. Defendant BAILEY was also required to monitor clients in the area of behavior management; act as clinical leader; coordinate resources to enhance the well being of the child and overall family functioning; and to develop a 24 hour crisis plan. To perform his duties, defendant BAILEY was required to travel to and from the clients’ locations, including home, school and community settings.

8. Defendant RONALD F. BAILEY entered into separate contracts with both CCRES and Devereux which paid him at an hourly rate for the services he provided and which required that he submit invoices that accurately reported the actual amount of time that he worked.

9. Both the CCIU (through CCRES) and Devereux billed Community Care Behavioral Health (CCBH) for those services rendered by Ronald Bailey. CCBH, in turn, billed those services to and was paid by the Medicaid Program in Pennsylvania.

10. CCBH and Medicaid are “health care benefit programs” as defined in 18 U.S.C. § 24(b).

THE SCHEME TO DEFRAUD

It was part of the scheme that:

11. Defendant RONALD F. BAILEY routinely prepared and submitted invoices to both CCRES and Devereux that were inflated and which falsely overstated the actual amount of time that BAILEY spent with clients.

12. Defendant RONALD F. BAILEY forged signatures of parents of the Medicaid beneficiaries on the encounter forms he was required to submit in order to make it appear that the parents had agreed that he had actually spent the amount of hours listed on the forms.

13. Defendant RONALD F. BAILEY routinely prepared and submitted separate invoices to both CCRES and Devereux that, on many occasions, purported to reflect that he was at two different locations at the exact same time seeing different Medicaid beneficiaries.

14. Relying on the fraudulent invoices submitted by defendant RONALD F. BAILEY, CCRES and Devereux issued checks to defendant BAILEY for the claimed services.

15. From in or about January 2006 through in our about January 2010, in the Eastern District of Pennsylvania, and elsewhere, defendant

RONALD F. BAILEY

knowingly and willfully executed, and attempted to execute, a scheme and artifice to defraud Medicaid and Community Care Behavioral Health Organization, which are health care benefit programs, and to obtain by means of false and fraudulent pretenses, representations and promises, money owned by, or under the custody and control of those health care benefit programs, in connection with the delivery of and payment for health care benefits, items and services, and aided and abetted its execution, and attempted to do so, by submitting and causing to be submitted fraudulent claims for services purportedly provided to Medicaid program beneficiaries, which claims were false and fraudulent in that they represented that defendant BAILEY had provided more hours of services to Medicaid beneficiaries than had actually been provided, resulting in losses of approximately \$164,640.

In violation of Title 18, United States Code, Section 1347.

NOTICE OF FORFEITURE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Section 1347 set forth in this information, defendant

RONALD F. BAILEY

shall forfeit to the United States of America any property that constitutes or is derived from gross proceeds traceable to the commission of such offense, including, but not limited to, the sum of \$164,640.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendants:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court; or
- (d) has been substantially diminished in value;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 982(a)(7).


ZANE DAVID MEMEGER
UNITED STATES ATTORNEY