ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

UNITED STATES OF AMERICA

v.

MURRELL CARNEL RUTLEDGE, JR.

Criminal Indictment

UNDER SEAL

1:26-CR-240

THE GRAND JURY CHARGES THAT:

Counts One through Forty– 18 U.S.C. § 1347
(Health Care Fraud)

Background

1. Rutledge Medical Associates LLC ("RMA") was a medical practice located in East Point, Georgia that was established on or about May 11, 2014.

2. Defendant **MURRELL CARNEL RUTLEDGE, JR.** operated RMA and held himself out as the owner of the practice. **RUTLEDGE** oversaw the business operations of the practice, including its medical billing to insurance programs such as Georgia Medicaid.

3. Physician-1 was a Georgia licensed physician. Between in or about May 2014 and in or about November 2022, Physician-1 was employed by RMA. Physician-1 initially worked at RMA full-time, five days per week. In or around 2018 or 2019, Physician-1 began working a reduced schedule at RMA, generally limited to two or three onsite days per week.

4. Licensed Professional Counselor-1 worked at RMA as a contractor between in or about December 2018 and in or about August 2022. Licensed

Professional Counselor-1 allegedly provided individual and group psychotherapy services to some of RMA's patients.

The Georgia Medicaid Program

5. Medicaid is a health insurance program that provides for medical care to eligible low-income families. Medicaid was established to provide an array of health care services and benefits to those who, due to economic circumstances, could not otherwise afford such health care services and benefits. Medicaid is jointly funded by State governments and the United States Department of Health and Human Services, acting through the Centers for Medicare and Medicaid Services. Medicaid is a public plan or contract, affecting interstate commerce, under which medical benefits, items, and services are provided to individuals. Medicaid is a "health care benefit program," as defined by Title 18, United States Code, Section 24(b).

6. In the State of Georgia, the Georgia Department of Community Health ("DCH") administers Medicaid. Individuals who receive benefits under Medicaid are referred to as "members" or "beneficiaries." Businesses and individuals who receive reimbursement from Medicaid for items and services rendered to beneficiaries are typically referred to as "providers."

7. Georgia Medicaid covers some services on what is known as a fee for service ("FFS") basis. Under this portion of the program, enrolled Medicaid providers bill the program directly for covered services provided to eligible beneficiaries and receive reimbursement for such covered services through DCH's fiscal intermediary. To be eligible for reimbursement, such services must

be medically necessary and comply with Medicaid's policies and procedures, as explained below.

8. DCH sets forth the terms that govern participation in and reimbursement from the Georgia Medicaid program. DCH does this by promulgating its Policies and Procedures for Medicaid/PeachCare for Kids Provider Manuals, which are published on a quarterly basis and made available to providers through its Medicaid Management Information System.

9. To submit bills to Medicaid for reimbursement for health care services provided to Medicaid members, an individual or entity must be an approved Medicaid provider. A provider obtains this approval by applying to Medicaid and enrolling in particular Medicaid programs or services. If the application meets certain minimum qualifications, Medicaid will approve the application, and the provider receives a unique identification number called a "rendering provider number." Providers must also obtain a federal identification number, known as a National Provider Identifier or "NPI." As a part of the enrollment process, providers agree to abide by the policies and procedures promulgated by the Georgia Medicaid program and otherwise comply with applicable state and federal laws.

10. If a provider wishes to provide services at different locations or for different businesses, they must obtain a unique rendering provider number for each business and location.

11. During the enrollment process, a rendering provider may assign their payment rights to a third-party business or entity to receive payments on their

behalf. The entity or business who receives this assignment right is known as a "payee" or "payee provider."

12. After receiving a provider number, the provider may then submit bills, known as "claims," to Medicaid to obtain reimbursement for services provided to Medicaid members. The claim must identify the date on which services were rendered, the specific services or items provided, and the identity of the provider rendering the services. When a claim is submitted to Medicaid, the provider certifies that the contents of the claim are true, correct, and complete, and that the claim was submitted in compliance with the laws and regulations governing the Medicaid program, including that the claim is for medically necessary services that were actually performed.

13. Georgia Medicaid defines the term "medically necessary" to include the requirement that the service is provided within generally accepted medical practices and is appropriate and consistent with the diagnosis of the treating physician and the omission of which could adversely affect the eligible member's medical condition.

14. The American Medical Association ("AMA") published annually the Current Procedural Terminology ("CPT") code manual. The CPT manual is a listing of descriptive terms and identifying codes for reporting the nature and complexity of medical services and procedures performed by providers. Among the purposes of CPT codes was to provide a national coding standard for physicians and other health care professionals' services and procedures. Consequently, all health care benefit programs, including Medicaid, require providers to use CPT codes when submitting claims for reimbursement.

15. Physician-1 was an enrolled Medicaid provider in the Physician Services program. In or about September 2014, a provider application was submitted to DCH by or on behalf of Physician-1 for a new rendering provider number with RMA designated as the payee.

16. Between January of 2017 and April of 2023, the only enrolled Georgia Medicaid rendering provider associated with RMA was Physician-1.

Relevant Fraudulently Billed CPT Codes

17. Providers who submitted claims under CPT Code 11772 were seeking reimbursement for the excision and removal of complex pilonidal cysts. A pilonidal cyst was a type of cyst that typically occurred near the tailbone and could become infected and filled with pus.

18. Providers who submitted claims under CPT Code 27603 were seeking reimbursement for the incision and drainage of a deep abscess or hematoma located on the lower leg or ankle.

19. Providers who submitted claims under CPT Code 90837 were seeking reimbursement for 60 minutes of extended, face-to-face psychotherapy sessions with a patient.

20. Providers who submitted claims under CPT Code 95004 were seeking reimbursement for percutaneous allergy tests (scratch, puncture, prick) with allergenic extracts to determine which substances (allergens) triggered an allergic reaction in the patient.

Scheme to Defraud

21. Beginning in or about January 2017 and continuing at least until in or about February 2023, the defendant, **MURRELL CARNEL RUTLEDGE, JR.**, did

knowingly and willfully execute, and attempt to execute, a scheme and artifice to defraud Georgia Medicaid by submitting and causing to be submitted thousands of false and fraudulent claims for: (i) services that were never provided and (ii) psychotherapy services that were purportedly provided by Physician-1 when in fact they had not been.

22. As the operator of RMA, **RUTLEDGE** oversaw the submission of claims for reimbursement to Georgia Medicaid. **RUTLEDGE** did not have a rendering provider number and all claims at RMA were submitted under Physician-1's provider number.

23. As part of and in furtherance of the scheme to defraud, **RUTLEDGE** submitted and caused to be submitted false and fraudulent claims to Georgia Medicaid under Physician-1's provider number without Physician-1's knowledge and authorization.

24. As part of and in furtherance of the scheme to defraud, **RUTLEDGE** identified Physician-1 as the treating physician for thousands of fraudulent claims that **RUTLEDGE** submitted and caused to be submitted even though **RUTLEDGE** knew that Physician-1 did not treat the patients as identified on the claims submitted to Georgia Medicaid.

25. As part of and in furtherance of the scheme to defraud, between in or about February 2019 and in or about June 2022, **RUTLEDGE** submitted and caused to be submitted nearly 900 false and fraudulent claims to Georgia Medicaid under CPT Code 11772 for purportedly excising and removing complex pilonidal cysts. **RUTLEDGE** knowingly and willfully submitted these claims under Physician-1's Medicaid provider number for procedures

purportedly performed at RMA, despite knowing that: (i) Physician-1 did not perform and authorize the procedures billed; and (ii) the patients did not present to the clinic on the dates identified in the claims with the condition and symptoms necessary to justify the billing of CPT Code 11772.

26. As part of and in furtherance of the scheme to defraud, between in or about January 2018 and in or about June 2022, **RUTLEDGE** submitted and caused to be submitted nearly 1,500 false and fraudulent claims to Georgia Medicaid under Physician-1's Medicaid provider number for CPT Code 27603 for purportedly completing the incision and drainage of deep abscesses or hematomas located on the lower leg or ankle despite Physician-1 never performing such procedures and despite the patients not reporting or presenting to the clinic on the dates identified in the claims with the condition or symptoms necessary to justify the billing of CPT Code 27603.

27. As part of and in furtherance of the scheme to defraud, between in or about July 2017 and in or about March 2023, **RUTLEDGE** submitted and caused to be submitted nearly 7,900 false and fraudulent claims to Georgia Medicaid under CPT Code 90837 for Physician-1 purportedly providing extended, face-to-face psychotherapy sessions despite knowing that Physician-1 did not perform psychotherapy services.

28. **RUTLEDGE** knew that to the extent any psychotherapy services occurred, such services were rendered by Licensed Professional Counselor-1 who was not, and could not be, enrolled in Georgia Medicaid's Physician Services program as he lacked the minimum required credentials to enroll in said program. By submitting and causing the submission of these claims under Physician-1's

provider number, **RUTLEDGE** caused Medicaid to make payments for therapy services as if rendered by a physician when they were, in fact, rendered by a non-credentialed third-party.

29. As part of and in furtherance of the scheme to defraud, between in or about January 2017 and in or about June 2022, **RUTLEDGE** submitted and caused to be submitted over 1,000 false and fraudulent claims to Georgia Medicaid under Physician-1's provider number for CPT Code 95004 for purportedly completing repeated and medically unnecessary percutaneous allergy tests on the same patients. In many instances, these tests were never performed, and the patients did not present on the dates identified in the claims with the symptoms and conditions necessary to justify the billing of CPT Code 95004.

30. In or about April 2022, DCH opened an investigation into RMA because of suspected fraudulent billing associated with CPT Codes 11772, 27603, and 90837.

31. On or about June 28, 2022, DCH conducted an onsite visit of RMA and interviewed Physician-1, among other RMA employees. **RUTLEDGE** last submitted and caused to be submitted claims to Georgia Medicaid on behalf of RMA for CPT Codes 11772, 27603, and 95004, on or about June 23, 2022.

32. As a result of the above-described scheme to defraud, **RUTLEDGE** defrauded and attempted to defraud Georgia Medicaid out of at least $4.3 million by submitting thousands of false and fraudulent claims for reimbursement relating to drainage of a lower leg lesion, allergy skin testing, pilonidal cyst removals, and individual psychotherapy services.

33. As a result of the above-described scheme to defraud, **RUTLEDGE** caused Georgia Medicaid to make payments in the amount of approximately $2.6 million to RMA relating to the false and fraudulent claims for drainage of a lower leg lesion, allergy skin testing, pilonidal cyst removals, and individual psychotherapy services.

Execution of the Scheme to Defraud

34. On or about the dates set forth in the table below, in the Northern District of Georgia, the defendant, **MURRELL CARNEL RUTLEDGE, JR.**, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, the scheme and artifice to defraud a health care benefit program affecting commerce, as defined by Title 18, United States, Code, Section 24(b), that is, Georgia Medicaid, as described above, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, said health care benefit program, in that **RUTLEDGE** submitted and caused the submission of false and fraudulent claims, which sought the identified dollar amounts, despite knowing that such services were not rendered as billed to Georgia Medicaid:

Count	Beneficiary	Approx. Date of Submission of Claim	CPT CODE	Claimed Amount
1	V.B.	Sept. 23, 2021	11772	$500
2	V.B.	Sept. 23, 2021	11772	$500
3	V.B.	Nov. 26, 2021	11772	$500
4	V.B.	Jan. 21, 2022	11772	$500

Count	Beneficiary	Approx. Date of Submission of Claim	CPT CODE	Claimed Amount
5	D.S.	Sept. 23, 2021	11772	$500
6	D.S.	Dec. 2, 2021	11772	$500
7	D.S.	Feb. 24, 2022	11772	$500
8	D.S.	Apr. 29, 2022	11772	$500
9	C.R.	Feb. 17, 2022	11772	$500
10	C.R.	Apr. 14, 2022	11772	$500
11	V.B.	Sept. 10, 2021	27603	$1,000
12	V.B.	Dec. 2, 2021	27603	$1,000
13	D.S.	Dec. 10, 2021	27603	$1,000
14	D.S.	Feb. 11, 2022	27603	$1,000
15	C.R.	Oct. 22, 2021	27603	$1,000
16	C.R.	Dec. 30, 2021	27603	$1,000
17	Y.K.	Nov. 4, 2021	27603	$1,000
18	Y.K.	Jan. 13, 2022	27603	$1,000
19	Y.K.	Mar. 10, 2022	27603	$1,000
20	Y.K.	May 4, 2022	27603	$1,000
21	V.B.	Oct. 29, 2021	95004	$1,400
22	V.B.	Oct. 29, 2021	95004	$1,400
23	V.B.	Jan. 5, 2022	95004	$1,400
24	D.S.	Oct. 29, 2021	95004	$1,400
25	D.S.	Jan. 5, 2022	95004	$1,400

Count	Beneficiary	Approx. Date of Submission of Claim	CPT CODE	Claimed Amount
26	D.S.	Apr. 1, 2022	95004	$1,400
27	D.S.	June 9, 2022	95004	$1,400
28	J.B.	Jan. 6, 2022	95004	$1,400
29	J.B.	Mar. 24, 2022	95004	$1,400
30	J.B.	June 2, 2022	95004	$1,400
31	V.B.	Oct. 14, 2022	90837	$125
32	D.S.	Sept. 23, 2022	90837	$125
33	D.S.	Oct. 7, 2022	90837	$125
34	D.S.	Oct. 25, 2022	90837	$125
35	C.R.	Dec. 9, 2022	90837	$125
36	C.R.	Dec. 9, 2022	90837	$125
37	C.R.	Dec. 17, 2022	90837	$125
38	J.B.	Sept. 23, 2022	90837	$125
39	J.B.	Oct. 7, 2022	90837	$125
40	J.B.	Oct. 22, 2022	90837	$125

All in violation of Title 18, United States Code, Section 1347.

Forfeiture

35. Upon conviction of one or more of the offenses alleged in Counts One through Forty of this Indictment, the defendant, **MURRELL CARNEL RUTLEDGE, JR.**, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 982(a)(7), any and all property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offenses, including but not limited to, the following:

MONEY JUDGMENT: A sum of money in United States currency, representing the amount of proceeds obtained as a result of the offenses alleged in Counts One through Forty of this Indictment

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

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;
d. has been substantially diminished in value; or
e. has been commingled with other property which cannot be divided without undue complexity or difficulty,

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1)

and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

A true BILL

[redacted]

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