IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

UNITED STATES OF AMERICA,	)	INDICTMENT
	)	
Plaintiff,	)	
	)	
v.	)	CASE NO. 1:18CR-87
	)	21 U.S.C. §841(a)(1)
NILESH JOBALIA,	)	21 U.S.C. §841(b)(1)(C)
	)	21 U.S.C. §841(b)(1)(E) J. DLOTT
Defendant.	)	21 U.S.C. §841(b)(2)
	)	18 U.S.C. §1347
	)	42 U.S.C. §1320(a)-7b(b)

COUNT 1

The Grand Jury charges:

At all times material and relevant to this Indictment:

INTRODUCTION

I. Overview

1. From on or about March 1, 2013, through on or about December 31, 2017, the defendant, **NILESH JOBALIA**, illegally distributed hundreds of thousands of doses of prescription painkillers to customers located in the Southern District of Ohio and elsewhere. He did so using **NILESH JOBALIA's** "medical" offices located in Hamilton, Ohio, by issuing drug orders purporting to be "prescriptions" for Schedule II controlled substances, primarily oxycodone, fentanyl, morphine, and methadone, as well as Schedule III-IV controlled substances, to customers that he characterized as "patients."

2. **NILESH JOBALIA** was licensed as a medical doctor in the State of Ohio.

3. **NILESH JOBALIA** owned and operated Cincinnati Centers for Pain Relief ("Cincinnati Pain"), located at 3145 Hamilton-Mason Road, Suite 201, Hamilton, Ohio 45013 within the Southern District of Ohio.

4. Cincinnati Pain was not licensed by the Ohio Board of Pharmacy as a pain management clinic; however, **NILESH JOBALIA** operated Cincinnati Pain almost exclusively for the purposes of pain management.

5. Cincinnati Pain customers received prescriptions for Controlled Substances monthly, though often not meeting with **NILESH JOBALIA**.

6. When **NILESH JOBALIA** was present in the office, Cincinnati Pain customers who were not scheduled for injection procedures, received cursory exams at most, and no vital signs were taken.

II. The Controlled Substances Act

7. The Controlled Substances Act ("CSA") governed the manufacture, distribution, and dispensing of controlled substances in the United States. With limited exceptions, the CSA made it "unlawful for any person knowingly or intentionally" to "distribute or dispense . . . a controlled substance" or conspire to do so.

8. The term "controlled substance" meant a drug or other substance included in Schedules I, II, III, IV, and V of the CSA. The term "dispense" meant to deliver a controlled substance to an ultimate user or research subject by, or pursuant to the lawful order of, a practitioner; it included the prescribing and administering of a controlled substance. The term "distribute," meant to deliver (other than by administrating or dispensing) a controlled substance. The term "practitioner" meant a physician, medical doctor, dentist, or other person licensed,

registered, or otherwise permitted by the United States or the jurisdiction in which he or she practiced, to distribute a or dispense a controlled substance in the course of professional practice.

9. Defendant **NILESH JOBALIA** was a medical doctor licensed by the State of Ohio Medical Board and considered a "practitioner" within the meaning of the CSA.

10. Individual practitioners who wanted to distribute or dispense controlled substances in the course of professional practice were required to register with the Attorney General of the United States ("Attorney General") before they were legally authorized to do so. Such individual practitioners were assigned a registration number by the Drug Enforcement Administration ("DEA").

11. **NILESH JOBALIA** was registered with the Attorney General and DEA under registration number BJ3017503.

12. Practitioners registered with the Attorney General were authorized under the CSA to write prescriptions for, or to otherwise dispense Schedule II, III, IV, and V controlled substances, so long as they complied with the requirements of their registrations. 21 U.S.C. § 822(b). The CSA prohibited any person from knowingly and intentionally using a DEA registration number issued to another person in the course of distributing or dispensing a controlled substance.

13. For medical doctors, compliance with the terms of their registrations meant that they could issue a prescription for a controlled substance to a patient only if the prescription was "issued for a legitimate medical purpose by an individual practitioner acting in the usual course of professional practice." 21 C.F.R. §1306.04(a). A doctor violated the CSA and Code of Federal Regulations if he issued a prescription for a controlled substance outside the usual course of professional medical practice and not for a legitimate medical purpose. Such knowing and

intentional violations subjected the doctor to criminal liability under Section 841(a) of Title 21, Untied States Code. 21 C.F.R. § 1306.04(a).

14. The CSA's "scheduling" of controlled substances was based on their potential for abuse, among other considerations. There are five schedules of controlled substances: Schedules I, II, III, IV, and V. Drugs that had a high potential for abuse and could lead to severe psychological or physical dependence were classified as Schedule II controlled substances. Drugs that had a potential for abuse and could lead to moderate or low physical dependence or high psychological dependence were classified as Schedule III controlled substances. Drugs that had a low potential for abuse and could lead to limited physical or psychological dependence were classified as Schedule IV controlled substances. 21 U.S.C. § 812.

15. Pursuant to the CSA and its implementing regulations, oxycodone was classified as a Schedule II narcotic controlled substance based on its high potential for abuse and potential for severe psychological and physical dependence. Oxycodone was sold under a variety of brand names, including Oxycontin, Percocet, and Endocet, as well as generic forms. Oxycodone was one of the strongest prescription painkilling substances approved for use in the United States, and it was very addictive. When abused, oxycodone could be taken orally (in pill form), chewed, or crushed and snorted. Oxycodone caused euphoria and a high that persons with a dependency and no actual medical necessity would seek.

16. Oxycontin, Percocet, and Roxicet were name brand Schedule II controlled substances in which oxycodone was the active ingredient. Percocet and Roxicet combined oxycodone and acetaminophen, also abbreviated "APAP." When Oxycontin, Percocet, and Roxicet tablets were legally prescribed for a legitimate medical purpose, they were intended to be taken orally for the management of moderately severe to severe pain under the careful

supervision of a treating physician. Because they contain oxycodone, Oxycontin, Percocet, and Roxicet tablets could be highly addictive, and the withdrawal symptoms of Oxycontin, Percocet, and Roxicet addiction could be severe.

17. Opana was a name brand Schedule II controlled substance in which oxymorphone was the active ingredient. When Opana was legally prescribed for a legitimate medical purpose, it was intended to be taken orally for the management of moderately severe to severe pain under the careful supervision of a treating physician. Because it contains oxymorphine, Opana tablets could be highly addictive, and the withdrawal symptoms of Opana addiction could be severe.

18. Pursuant to the CSA and its implementing regulations, fentanyl – a potent synthetic opioid – was classified as a Schedule II controlled substance based on its potential for abuse and physical and psychological dependence. Fentanyl pharmaceutical products were available in the dosage forms of oral transmucosal lozenges under the brand name Actiq, effervescent buccal tablets under the brand name Fentora, sublingual tablet under the brand name Abstral, sublingual spray under the brand name Subsys, nasal spray under the brand name Lazanda, transdermal patches under the name Duragesic, and injectable formulations. When fentanyl was legally prescribed for a legitimate medical purpose in the oral transmucosal lozenges and effervescent buccal tablets forms, it was for the management of breakthrough cancer pain in patients who are already receiving opioid medication for their underlying persistent pain. Transdermal patches were used in the management of chronic pain in patients who require continuous opioid analgesia. Fentanyl was much more potent than morphine as an analgesic. Fentanyl was abused for its intense euphoric effects. Fentanyl had pharmacological effects and produced analgesia, sedation, nausea, vomiting, itching, and respiratory depression.

19. Pursuant to the CSA and its implementing regulations, morphine– a pharmaceutical opioid – was classified as a Schedule II controlled substance, based on its potential for abuse and physical and psychological dependence. Morphine was a derivative of opium. Morphine was sold generically and it came in a variety of strengths. When Morphine was legally prescribed for a legitimate medical purpose, it was primarily used as a pain reliever for moderate to severe pain. Morphine was a narcotic pain reliever that had the potential for being abused. The major hazards of abusing Morphine were respiratory depression and systemic hypotension, and when abused could result in respiratory arrest, shock, cardiac arrest, and death.

20. Pursuant to the CSA and its implementing regulations, Methadone – a pharmaceutical opioid – was classified as a Schedule II controlled substance, based on its potential for abuse and physical and psychological dependence. Methadone was a derivative of opium. Methadone was sold generically or under a variety of brand names, including Methadose and Dolophine, and it came in a variety of strengths. When Methadone was legally prescribed for a legitimate medical purpose, it was primarily used as a pain reliever and, separately, as part of drug-addiction detoxification and maintenance protocol. Methadone was a narcotic pain reliever that had the potential for being abused. The major hazards of abusing methadone were respiratory depression and systemic hypotension, and when abused could result in respiratory arrest, shock, cardiac arrest, and death.

21. Pursuant to the CSA and its implementing regulations, hydrocodone – an addictive narcotic prescription painkiller – was classified as a Schedule III controlled substance, based on its potential for abuse and physical and psychological dependence. Hydrocodone was a derivative of opium. Hydrocodone was sold generically or under a variety of brand names, including Vicodin, Vicoprofen, Lortab, and Norco, and it came in a variety of strengths. When

hydrocodone was legally prescribed for a legitimate medical purpose, it was typically used to combat acute, moderate to severe pain under the careful supervision of a treating physician. Hydrocodone successfully diminished pain, but it was addictive and the withdrawal symptoms of hydrocodone addiction could be severe. When abused, hydrocodone could be taken orally (in pill form), chewed, or crushed and snorted. Hydrocodone caused euphoria and a high that persons with a dependency and no actual medical need for the drug would seek.

22. Pursuant to the CSA and its implementing regulations, alprazolam was classified as a Schedule IV controlled substance, based on its potential for abuse and physical and psychological dependence. Alprazolam was a benzodiazepine, which is a class of drugs primarily used for treating anxiety. Alprazolam was sold generically or the brand name Xanax and it came in a variety of strengths.

23. Pursuant to the CSA and its implementing regulations, diazepam was classified as a Schedule IV controlled substance, based on its potential for abuse and physical and psychological dependence. Diazepam was a benzodiazepine, which is a class of drugs primarily used for treating anxiety. Diazepam was sold generically or under the brand name Valium and it came in a variety of strengths.

24. Pursuant to the CSA and its implementing regulations, zolpidem was classified as a Schedule IV controlled substance, based on its potential for abuse and physical and psychological dependence. Zolpidem was a sedative drug used primarily to treat insomnia. Zolpidem was sold generically or under the brand name Ambien and it came in a variety of strengths.

25. Pursuant to the CSA and its implementing regulations, carisoprodol was classified as a Schedule IV controlled substance, based on its potential for abuse and physical and

psychological dependence. Carisoprodol was a drug used primarily to treat muscle pain and discomfort. Carisoprodol was sold generically or under the brand name Soma and it came in a variety of strengths.

COUNTS 1-88
UNLAWFUL DISTRIBUTION OF A CONTROLLED SUBSTANCE
[21 U.S.C. §841]

The Grand Jury further charges:

26. On or about the following dates in the Southern District of Ohio, Western Division, **NILESH JOBALIA**, the defendant, did knowingly and intentionally distribute and dispense a mixture and substance containing a detectable amount of oxycodone, fentanyl, methadone, morphine, opana, Schedule II controlled substances, hydrocodone, a Schedule III controlled substance, as well as alprazolam, diazepam, zolpidem, and carisoprodol, Schedule IV controlled substances, by issuing "prescriptions" outside the usual course of professional practice and not for a legitimate medical purpose, as indicated below:

COUNT	Date Rx Written	Customer	Substance	Strength mg/mg	Qty
1	1/26/2015	S.S.	Oxycontin Oxycontin Oxycodone-APAP	80 mg 40 mg 10-325 mg	90 90 180
2	2/2/2016	S.S.	Oxycontin Oxycontin Oxycodone	80 mg 40 mg 10 mg	90 90 180
3	9/29/2016	S.S.	Oxycontin Oxycontin Oxycodone	80 mg 40 mg 10 mg	90 90 180
4	3/7/2016	K.A.Sh.	Oxycodone	10 mg	120
5	11/10/2014	K.Sp.	Fentanyl Transdermal Fentanyl	100 mcg 1.6 mg	10 240
6	10/27/2014	B.W.	Methadone Oxycodone-APAP	10 mg 10-325mg	180 120
7	5/21/2015	B.W.	Methadone Oxycodone-APAP	10 mg 10-325 mg	180 120
8	12/8/2014	D.S.	Oxycododone Opana ER Diazepam Zolpidem	30 mg 40 mg 5 mg 10 mg	120 90 120 30

9	9/1/2015	D.S.	Oxycodone Opana ER	30 mg 40 mg	120 90
10	9/23/2016	D.S.	Oxycodone Opana ER	30 mg 40 mg	120 90
11	11/12/2014	G.H.	Oxycontin Oxycodone	60 mg 30 mg	60 180
12	3/19/2014	G.H.	Oxycontin Oxycodone	60 mg 30 mg	60 180
13	12/10/2015	G.H.	Oxycontin Oxycodone	80 mg 30 mg	90 180
14	3/30/2015	A.J.	Oxycodone Alprazolam	30 mg 2 mg	180 60
15	1/26/2016	A.J.	Fentanyl Transdermal Oxycodone Alprazolam	50 mcg 30 mg 2 mg	10 180 60
16	10/20/2014	C.J.	Oxycodone Oxycontin	15 mg 80 mg	120 60
17	5/8/2014	C.J.	Oxycodone Oxycontin	15 mg 80 mg	120 60
18	9/27/2016	C.J.	Oxycodone Oxycontin	15 mg 80 mg	120 60
19	12/1/2014	J.K.	Oxycodone Oxycontin Oxycontin Diazepam	30 mg 80 mg 40 mg 5 mg	120 60 60 90
20	4/24/2015	J.K.	Oxycodone Oxycontin Oxycontin Diazepam	30 mg 80 mg 40 mg 5 mg	120 60 60 90
21	10/20/2016	J.K.	Oxycodone Oxycontin Oxycontin	30 mg 80 mg 40 mg	120 60 60
22	10/29/2014	M.K.	Fentanyl Fentanyl Oxycodone	100 mcg 25 mcg 30 mg	10 10 120
23	1/26/2015	M.K.	Fentanyl Fentanyl Oxycodone	100 mcg 25 mcg 30 mg	10 10 120
24	8/18/2015	M.K.	Fentanyl Fentanyl Oxycodone Alprazolam	100 mcg 25 mcg 30 mg 1 mg	10 10 120 4

25	8/22/2016	M.K.	Fentanyl Fentanyl Oxycodone	100 mcg 25 mcg 30 mg	10 10 120
26	10/8/2014	R.K.	Oxycodone Oxycontin	15 mg 30 mg	120 60
27	1/21/2016	R.K.	Oxycodone Oxycontin Diazepam	15 mg 30 mg 10 mg	120 60 2
28	9/9/2016 to 9/14/2016	R.K.	Oxycodone Oxymorphone	15 mg 20 mg	120 60
29	1/9/2017	D.M.	Oxycodone Diazepam	10-325 mg 5 mg	60 4
30	2/7/2017	D.M.	Oxycodone	10-325 mg	60
31	3/7/2017	D.M.	Oxycodone Diazepam	10-325 mg 5 mg	90 4
32	5/25/2017	D.M.	Oxycodone	10-325 mg	90
33	10/29/2014	J.L.	Oxycodone-APAP Methadone	10-325 mg 10 mg	180 60
34	4/20/2015	J.L.	Oxycodone-APAP Methadone Carisoprodol	10-325 mg 10 mg 350 mg	180 60 120
35	10/13/2016	J.L.	Oxycodone-APAP Methadone Carisoprodol Zolpidem	10-325 mg 10 mg 350 mg 5 mg	180 60 120 30
36	11/7/2014	J.M.	Morphine Morphine Diazepam	30 mg 60 mg 10 mg	120 60 90
37	12/5/2014	J.M.	Morphine Morphine	30 mg 60 mg	120 60
38	1/28/2015	J.M.	Morphine Morphine	30 mg 60 mg	120 60
39	11/9/2015	H.N.	Oxycodone	15 mg	120
40	6/10/2016	H.N.	Oxycodone	20 mg	120
41	11/24/2014	C.P.	Oxymorphone Oxycodone Carisoprodol	40 mg 30 mg 350 mg	60 120 30
42	3/14/2016	C.P.	Oxymorphone Oxycodone Carisoprodol	40 mg 30 mg 350 mg	60 120 30
43	10/17/2016	C.P.	Oxymorphone Oxycodone	40 mg 30 mg	60 120
44	10/23/2014	T.B.	Oxycodone Oxycontin	15 mg 40 mg	180 60

45	7/24/2014 to 7/27/2014	T.B.	Oxycontin Oxycodone-APAP Hydromorphone	80 mg 10-325 mg 4 mg	60 120 12
46	7/15/2016	T.B.	Oxycontin Oxycodone-APAP	80 mg 10-325 mg	60 120
47	12/28/2015	S.B.	Oxycodone-APAP Diazepam	10-325 mg 10 mg	120 4
48	4/25/2016	S.B.	Oxycodone	15 mg	150
49	6/23/2016	S.B.	Oxycodone	20 mg	150
50	11/10/2014	S.C.	Oxycodone	30 mg	120
51	1/4/2016	S.C.	Oxycodone Fentanyl Transdermal	30 mg 50 mcg	120 10
52	9/22/2016	S.C.	Oxycodone	30 mg	120
53	2/19/2015	A.C.	Oxycodone-APAP Diazepam	10-325 mg 5 mg	120 2
54	9/21/2015	A.C.	Oxycodone	15 mg	120
55	6/9/2016	A.C.	Oxycodone	15 mg	120
56	10/20/2014	K.D.	Oxycontin Diazepam	80 mg 5 mg	60 90
57	6/7/2016 to 6/10/2016	K.D.	Oxycodone Oxycontin Diazepam	30 mg 80 mg 5 mg	180 60 90
58	9/6/2016	K.D.	Oxycodone Oxycontin	30 mg 80 mg	180 60
59	10/31/2014	C.D.	Oxycodone Fentanyl	30 mg 100 mcg	240 30
60	3/11/2015	C.D.	Oxycodone Fentanyl Diazepam	30 mg 100 mcg 5 mg	240 30 120
61	10/26/2015	C.D.	Oxycodone Fentanyl Diazepam	30 mg 100 mcg 5 mg	240 30 120
62	11/5/2014	R.F.	Oxycodone Morphine	30 mg 60 mg	120 60
63	6/1/2015	R.F.	Oxycodone Morphine	30 mg 60 mg	120 60
64	12/10/2015	R.F.	Oxycodone Morphine	30 mg 60 mg	120 60
65	11/19/2014	S.G.	Oxycodone Fentanyl Transdermal	30 mg 100 mcg	120 10
66	4/13/2015	S.G.	Oxycodone Fentanyl Transdermal	30 mg 75 mcg	120 10
67	6/3/2016	S.G.	Oxycodone Fentanyl Transdermal Clonazepam	30 mg 75 mcg 1mg	150 10 120

68	3/23/2015	J.G.	Fentanyl Hydromorphone Diazepam	25 mcg 4 mg 10 mg	10 120 2
69	12/14/2015	J.G.	Hydromorphone Hydromorphone	16 mg 8 mg	30 120
70	10/11/2016 to 10/12/2016	J.G.	Hydromorphone Hydromorphone Diazepam	16 mg 8 mg 10 mg	30 120 2
71	8/8/2016	R.G.	Oxycodone	15 mg	120
72	10/3/2016	R.G.	Oxycodone	15 mg	150
73	11/7/2014	J.G.	Oxycodone Oxycontin	30 mg 60 mg	120 90
74	12/15/2015	J.G.	Oxymorphone Opana ER Dextroamphetamine	10 mg 40 mg 10 mg	120 60 60
75	12/28/2015	J.G.	Morphine Morphine	30 mg 100 mg	120 60
76	10/18/2016	J.G.	Oxycodone Oxycontin	30 mg 80 mg	120 60
77	10/22/2014	D.H.	Morphine Morphine Morphine Clonazepam	100 mg 30 mg 30 mg 1 mg	60 60 120 90
78	2/23/2015	D.H.	Morphine Morphine Morphine Clonazepam	100 mg 30 mg 30 mg 1 mg	60 60 120 90
79	4/15/2016	D.H.	Morphine Morphine Diazepam	100 mg 30 mg 10 mg	60 120 2
80	12/5/2014	C.H.	Oxycodone Morphine Diazepam	30 mg 100 mg 10 mg	180 60 90
81	7/15/2015	C.H.	Oxycodone Morphine Diazepam	30 mg 100 mg 10 mg	180 60 90
82	5/10/2016	C.H.	Oxycodone Morphine Alprazolam	30 mg 100 mg 2 mg	180 60 60
83	6/27/2014	E.O.	Oxycodone Clonazepam	15 mg .5 mg	120 90
84	7/28/2016	L.G.	Oxycodone Lyrica	30 mg 30 mg	180 60
85	1/8/2014	M.D.	Subsys	800 mcg	120
86	4/3/2014	M.D.	Morphine Hydromorphone	30 mg 8 mg	60 120

87	2/2/2015	P.R.	Oxycodone Diazepam	30 mg 10 mg	180 30
88	10/22/2014	K.M.	Subsys Fentanyl Oxycodone	800 mcg 100 mcg 15 mg	120 10 120

All in violation of 21 U.S.C. §§841(a)(1) and 841(b)(1)(C).

COUNT 89
UNLAWFUL DISTRIBUTION OF A CONTROLLED SUBSTANCE
[21 U.S.C. §841]

The Grand Jury further charges:

27. Paragraphs 1 through 26 are realleged and incorporated by reference as though fully set forth herein.

28. On or about March 4, 2015, within the Southern District of Ohio, Western Division, **NILESH JOBALIA**, the defendant, did knowingly and intentionally distribute and dispense a mixture and substance containing a detectable amount of morphine, a Schedule II controlled substance, by issuing "prescriptions" outside the usual course of professional practice and not for a legitimate medical purpose, to wit: **NILESH JOBALIA** prescribed 120 dosage units of morphine 30 mg, and 60 dosage units of morphine ER 60 mg, both Schedule II controlled substances, lyrica, a Schedule V controlled substance, and amitriptyline a non-controlled substance, to J.M. who filled the prescription on or about March 14, 2015. On or about March 17, 2015, J.M. was discovered dead after consuming a portion of the morphine and amitriptyline prescribed by **NILESH JOBALIA**, within the Southern District of Ohio. Death resulted from the use of the morphine and amitriptyline so distributed.

All in violation of 21 U.S.C. §§841(a)(1), (b)(1)(C) and (b)(2).

INTRODUCTION FOR COUNTS 90-97
HEALTH CARE FRAUD
[18 U.S.C. §1347]

The Grand Jury further charges:

29. Paragraphs 1 through 28 are realleged and incorporated by reference as though fully set forth herein.

I. The Victim Health Insurance Program

30. The information provided in this section describes the victim, the health insurance program (See "Attachment A" which is incorporated into this Indictment and serves as the Fed.R.Crim.P. 12.4 Disclosure Statement).

II. The Medicare Program

31. The Medicare Program (Medicare) was established in 1965 pursuant to amendments to the Social Security Act. Medicare was a federal "health care benefit program" under 42 U.S.C. §1320a-7b(b)(f). Medicare provided benefits to individuals who were over the age of 65 or to certain disabled person (Medicare beneficiaries). The Centers for Medicare and Medicaid Services (CMS) was the agency of the United States Department of Health and Human Services (HHS) that administered the Medicare program. Medicare coverage was divided into Parts A, B, C and D.

32. CMS administered Medicare Part B through private insurance companies known as "carriers." Medicare Part B helped pay the cost of health care items and physician's services, including office visits, outpatient therapy, medical supplies and medical tests, including injections, and moderate sedation related.

33. Medicare included a prescription drug program known as "Part D," which was funded by insurance premiums paid by enrolled beneficiaries and contributions from the federal

treasury. The Part D drug program was administered by "Plan Sponsors," each of which dictated the specific drugs covered and how much it will pay for those drugs. CMS, through the federal treasury, reimbursed the Part D Plan Sponsors for the covered drugs.

34. HHS, via CMS, contracted with various Part D Plan Sponsors to provide prescription drug benefits to beneficiaries. There were numerous Plan Sponsors that covered residents within the Southern District of Ohio. These Plan Sponsors then contracted with Pharmacy Benefit Managers ("PBMs"), which handled the administration of the Part D prescription drug program on behalf of the Plan Sponsor.

35. Medicare benefits were paid on the basis of reasonable charges for covered services furnished by physicians and other suppliers of medical services to aged or disabled Medicare beneficiaries. CMS, through its carriers, notified Medicare providers of the regulations and billing criteria through the Medicare manual and monthly newsletters.

36. Medicare was a "health care benefit program" as defined by 18 U.S.C. §24(b).

37. **NILESH JOBALIA** and/or Cincinnati Centers for Pain Relief through **NILESH JOBALIA** were Medicare providers, and as such signed provider agreements with CMS agreeing to the rules and regulations of the program.

III. The Medicaid Program

38. Medicaid, established by Congress in 1965, provided medical insurance coverage for individuals whose incomes are too low to meet the costs of necessary medical services. Approximately 60% of the funding for Ohio's Medicaid program came from the federal government. The Ohio Department of Medicaid (ODM), Columbus, Ohio, managed the Medicaid program, which was previously managed by the Ohio Department of Job and Family Services (ODJFS). ODM received, reviewed, and obtained formal authority to make payment of

Medicaid claims submitted to it by providers of health care. Medicaid contracted with Managed Care Organizations (MCOs) in order to provide care to Medicaid recipients.

39. MCOs were health insurance companies that were licensed by the Ohio Department of Insurance and contracted with ODM to provide coordinated health care to Medicaid recipients. MCOs worked with hospitals, doctors, and other health care providers to coordinate care and provided for the health care services for Medicaid recipients. Aetna, Molina, Paramount, CareSource, Optum, and United Health Care, were MCOS that paid claims related to the medical practice of **NILESH JOBALIA**.

40. Each qualified Medicaid patient received a recipient identification number to identify the patient as an authorized recipient of Medicaid benefits. Pursuant to the rules and regulations of the Ohio Medicaid Program, including Medicaid MCOs, Medicaid only paid for services that were actually performed by qualified individuals and medically necessary for the patient's health.

41. In addition, Medicaid provider agreements stated that "payment" constitutes payment in full for any covered services and a covered provider agreed not to charge the member or ODM (Medicaid) any co-payment, cost sharing, down payment, or similar charge, refundable or otherwise.

42. Medicaid was a "health care benefit program" as defined in 18 U.S.C. §24(b).

43. **NILESH JOBALIA** and/or Cincinnati Centers for Pain Relief through **NILESH JOBALIA** were Ohio Medicaid providers, and as such signed provider agreements with the Ohio Medicaid program agreeing to the rules and regulations of the program.

IV. Ohio Bureau of Worker's Compensation

44. The Ohio Bureau of Workers' Compensation (BWC) was a public "no fault" insurance system that compensated employees for work related injuries or illnesses. BWC provided insurance to approximately two-thirds of Ohio's work force. Employees not covered directly by BWC received coverage through their employers. These companies were part of a self-insurance program for large and financially stable employers who met strict qualifications set by BWC.

45. BWC managed all medical and lost-time claims, initiated coverage and determined premium rates and manual classifications. BWC also collected premiums from employers, determined the initial allowance or denial on claim applications, disbursed money to pay compensation, and managed the state insurance fund.

46. Providers who were certified with BWC received a Provider Identification Number (PIN) which allowed BWC to identify the provider who rendered the billed services. In addition, each qualified BWC patient received a member Identification Number to identify the patient as an authorized recipient of health benefits.

47. BWC further required certified providers to properly document patient office visits in accordance with BWC policies, rules, and regulations.

48. Providers were reimbursed by BWC for rendered medical services provided they are certified by BWC, the services provided were medically necessary, were properly coded, were properly documented and in accordance with BWC rules and regulations, and in compliance with federal and state laws, rules, and regulations.

49. BWC was a "health care benefit program" as defined in 18 U.S.C. §24(b).

50. **NILESH JOBALIA** and/or Cincinnati Centers for Pain Relief through **NILESH JOBALIA** were Ohio BWC providers, and as such signed provider agreements with the Ohio BWC program agreeing to the rules and regulations of the program.

V. CPT CODES

51. Medical providers and health care benefit programs used well-known and standard insurance processing codes to identify certain medical diagnoses and medical treatments and procedures. The American Medical Association assigned and published five-digit codes, known as the Current Procedural Terminology (CPT) and Healthcare Common Procedure Coding System (HCPCS) codes.

52. Medical providers recorded diagnoses and medical procedures on a standard claim form known in the industry as the CMS 1500 form, which was then sent to the patient's health care benefit program. CPT codes needed to be designated on the CMS 1500 claim form by the health care provider and then submitted either by mail or electronically to the health care benefit program for payment.

53. Health care claim forms, both paper and electronic, contained certain patient information and treatment billing codes including CPT codes. Health care programs established payment schedules based on the codes billed by the provider. By designating a certain code, the provider certified to the health care program that a given treatment was actually rendered in compliance with the code requirements and was medically necessary. These treatment billing codes were well known to the medical community, providers, and health care insurance companies.

54. Specific CPT codes were assigned for evaluation and management (E/M) services provided to establish patients in a physician's office (some of the E/M services were known as

"office visits"). Among these E/M services were office visits billed under CPT codes "99211," "99212," "99213," "99214," and "99215." Insurance companies reimbursed health care providers at increasing rates based upon the level of complexity indicated by the office visit codes.

55. Specific CPT codes were assigned for moderate sedation provided to patients. Among these, CPT Code 99144 was utilized by providers to indicate moderate sedation services were provided by the same physician or other qualified health care professional performing the diagnostic or therapeutic service that the sedation supports, requiring the presence of an independent trained observer to assist in the monitoring of the patient's level of consciousness and physiological status; age 5 years or older, first 30 minutes intra-service time.

56. Moderate sedation by definition is a drug-induced depression of consciousness. The patient maintains the ability to respond purposely to verbal direction or verbal direction either alone or accompanied by light tactile stimulation. Interventions are not required to maintain the patient's airway. The use of the code also requires that in order to bill the minimum of 30 minutes, the physician must establish at least 16 minutes of face-to-face intra-service time; otherwise, the code is not billable.

57. In order to bill moderate sedation under CPT Code 99144, additionally providers were required to document the name of the procedure, medication names, dosages and routes of administration, who administered the medication(s), notations of ongoing assessments and vital signs monitoring during the moderate sedation.

58. In addition, CPT Code 99145 was utilized by providers to indicate moderate sedation services were provided by the same physician or other qualified health care professional performing the diagnostic or therapeutic service that the sedation supports, requiring the

presence of an independent trained observer to assist in the monitoring of the patient's level of consciousness and physiological status; each additional 15 minutes intra-service time.

59. The procedures and services represented by CPT codes were health care benefits, items, and services, within the meaning of Title 18, Section 24(b), United States Code.

COUNTS 90-93
HEALTH CARE FRAUD
[18 U.S.C. §1347]

The Grand Jury further charges:

60. Paragraphs 1 through 59 are realleged and incorporated by reference as though fully set forth herein.

61. From on or about January 3, 2012, through on or about December 31, 2017, in the Southern District of Ohio and elsewhere, defendant **NILESH JOBALIA**, did knowingly and willfully execute and attempt to execute a scheme and artifice to defraud a health care benefit program, as defined in Title 18, United States Code, Section 24(b), and to obtain by means of false and fraudulent pretenses, representations, and promises, money and property owned by and under the custody and control of said health care benefit programs, in connection with the delivery of and payment for health care benefits, items, and services by causing bills to be submitted to Medicare, Medicaid, Medicaid MCOs and BWC for medically unnecessary prescriptions.

Execution of the Scheme

62. It was further a part of the scheme to defraud that **NILESH JOBALIA** billed Medicare, ODM, Medicaid MCOs, and BWC for office visits, despite not evaluating the patients or conducting any type of meaningful exam. In fact, **NILESH JOBALIA** specifically instructed his medical assistants (MAs) not to take vital signs on his customers who came in for office visits.

63. It was further a part of the scheme to defraud that **NILESH JOBALIA** prescribed medically unnecessary controlled substances to his customers, knowing they had Medicare, Medicaid, Medicaid MCO, or BWC as their insurer.

64. It was further a part of the scheme to defraud that **NILESH JOBALIA** prescribed medically unnecessary controlled substances to customer K.Sp., which caused BWC to pay more than $450,000 for medically unnecessary drugs.

65. It was further a part of the scheme to defraud that **NILESH JOBALIA** prescribed medically unnecessary controlled substances to customer D.S., which caused BWC to pay more than $100,000 for medically unnecessary drugs.

66. It was further a part of the scheme to defraud that **NILESH JOBALIA** prescribed medically unnecessary controlled substances to customer M.D., which caused Medicare to pay more than $45,000 for medically unnecessary drugs.

67. It was further a part of the scheme to defraud that **NILESH JOBALIA** prescribed medically unnecessary controlled substances to customer R.K., which caused United Healthcare, a Medicaid MCO, to pay more than $18,000 for medically unnecessary drugs.

68. It was further a part of the scheme to defraud that **NILESH JOBALIA** caused the submission of false claims to Medicare, ODM, Medicaid MCOs, and BWC for these medically unnecessary drugs in an amount totaling over $2,000,000.00.

69. On or about the dates listed below, in the Southern District of Ohio and elsewhere, **NILESH JOBALIA**, having knowingly and willfully executed and attempted to execute the scheme and artifice to defraud health care benefit programs, or obtain by means of false and fraudulent pretenses, representations or promises, any of the money owned by, or under the control of a health care benefit program, that is Medicare, the Ohio Medicaid program, and/or BWC, in connection with the delivery of or payment for health care benefits, items or services by billing or causing bills to be submitted for pharmaceuticals that were not medically necessary as set forth below:

Count	Date RX Written	Customer	Substance	Paid Date	Amount Paid	Health Care Benefit Program
90	11/10/2014	K.Sp.	Fentanyl-Transdermal Fentanyl	1/2/2015	$76.82 $6,278.07	BWC
91	9/1/2015	D.S.	Oxycodone Oxymorphone	9/18/2015	$92.05 $1,467.36	BWC
92	3/11/2015	C.D.	Oxycodone Diazepam Fentanyl	4/18/2016	$145.31 $4.35 $581.07	Medicaid
93	11/5/2014	R.F.	Oxycodone Morphine	12/5/2014	$109.86 $106.77	Medicaid

All in violation of 18 U.S.C. §1347(a)(1).

COUNTS 94-96
HEALTH CARE FRAUD
[18 U.S.C. §1347]

The Grand Jury further charges:

70. Paragraphs 1 through 69 are realleged and incorporated by reference as though fully set forth herein.

71. From on or about January 3, 2012, through on or about December 31, 2017, in the Southern District of Ohio and elsewhere, defendant **NILESH JOBALIA**, did knowingly and willfully execute and attempt to execute a scheme and artifice to defraud a health care benefit program, as defined in Title 18, United States Code, Section 24(b), and to obtain by means of false and fraudulent pretenses, representations, and promises, money and property owned by and under the custody and control of said health care benefit programs, in connection with the delivery of and payment for health care benefits, items, and services by causing bills to be submitted to Medicare, Medicaid, Medicaid MCOs and BWC for services not rendered.

Execution of the Scheme

72. It was further a part of the scheme to defraud that **NILESH JOBALIA** billed Medicare, ODM, Medicaid MCOs, and BWC for services not rendered.

73. It was further a part of the scheme to defraud that **NILESH JOBALIA** billed Medicare, ODM, Medicaid MCOs, and BWC for office visits, despite not evaluating the patients or conducting any type of meaningful exam. In fact, **NILESH JOBALIA** specifically instructed his medical assistants (MAs) not to take vital signs on his customers who came in for office visits.

74. It was further a part of the scheme to defraud that **NILESH JOBALIA** documented in the medical files that he performed moderate sedation CPT 99144.

75. It was further a part of the scheme to defraud that **NILESH JOBALIA** issued prescriptions for Diazepam (generic), and Valium (brand name) to his customers scheduled for spinal injections. The customers were expected to take the prescription drugs at home on the date of the scheduled injection to ease their nerves. For example, **NILESH JOBALIA** documented in one medical file "patient was given sedative to help control anxiety related to the procedure."

76. It was further a part of the scheme to defraud that **NILESH JOBALIA** did this to support billing for moderate sedation.

77. It was further a part of the scheme to defraud that **NILESH JOBALIA** failed to properly document medication names, dosages and routes of administration, who administered the medication, notations of ongoing assessments of consciousness, assessments of vital signs monitored during conscious sedation, and exact time spent face-to-face with patient.

78. It was further a part of the scheme to defraud that **NILESH JOBALIA** rarely stayed with the patient(s) the full sixteen (16) minutes required to support billing for moderate sedation.

79. It was further a part of the scheme to defraud that **NILESH JOBALIA** caused the submission of false claims to Medicare, ODM, Medicaid MCOs, and BWC for CPT Codes 99144 and 99145, representing moderate sedation was performed, when in fact no such service was rendered.

80. It was further a part of the scheme to defraud that from on or about January 3, 2012 through September 20, 2017, **NILESH JOBALIA** through Cincinnati Pain submitted more

than $150,000.00 in claims to Medicare for moderate sedation services allegedly performed and was paid almost $50,000.00.

81. It was further a part of the scheme to defraud that from on or about September 28, 2011 through July 20, 2017, **NILESH JOBALIA** through Cincinnati Pain submitted more than $80,000.00 in claims to ODM and Medicaid MCOs for moderate sedation services allegedly performed and was paid more than $8,000.00.

82. It was further a part of the scheme to defraud that from on or about January 25, 2012 through March 22, 2017, **NILESH JOBALIA** through Cincinnati Pain submitted more than $25,000.00 in claims to BWC and was paid more than $8,000.00.

83. On or about the dates listed below, in the Southern District of Ohio and elsewhere, **NILESH JOBALIA**, having knowingly and willfully executed and attempted to execute the scheme and artifice to defraud health care benefit programs, or obtain by means of false and fraudulent pretenses, representations or promises, any of the money owned by, or under the control of a health care benefit program, that is Medicare, the Ohio Medicaid program, and/or BWC, in connection with the delivery of or payment for health care benefits, items or services by billing or causing bills to be submitted for billing for services not rendered as set forth below:

Count	Date of Service	CPT Code Billed	Amount Billed	Amount Paid	Health Care Benefit Program	Beneficiary
94	7/29/2014	99144	$75	$30.48	Medicare	E.O.
95	9/30/2014	99144	$75	$30.48 $7.78	Medicare Medicaid	P.R.
96	1/6/2016	99144	$75	$30.48 $7.85	Medicare Medicaid	S.B.

All in violation of 18 U.S.C. §1347(a)(1).

COUNT 97
HEALTH CARE FRAUD
[18 U.S.C. §1347]

The Grand Jury further charges:

84. Paragraphs 1 through 83 of this Indictment are realleged and incorporated by reference as though fully set forth herein.

85. On or about March 4, 2015 to on or about March 14, 2015, in the Southern District of Ohio, Western Division, defendant **NILESH JOBALIA**, knowingly and willfully executed and attempted to execute the above-described scheme and artifice 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 BWC, health care benefit programs as defined in Title 18, United States Code, Section 24(b), in connection with the delivery of, billing, and payment for health care benefits, items, and services, to J.M., by failing to conduct proper office visits, and excessive prescribing of controlled substances for no legitimate medical purpose and outside the scope of medical practice, which resulted in the death of J.M.

All in violation of 18 U.S.C. § 1347(a)(1).

INTRODUCTION FOR COUNTS 98-114
ANTI-KICKBACK VIOLATION
[42 U.S.C. §1320a-7b(b)]

The Grand Jury further charges:

86. Paragraphs 1 through 85 of this Indictment are realleged and incorporated by reference as though fully set forth herein.

I. Anti-Kickback Statute

87. The Anti-Kickback Statute, Title 42 United States Code, Section 1320a-7b(b), prohibited any person or entity from making or accepting payment, in cash or in kind, to induce or reward any person for referring, recommending or arranging for federally-funded medical services. Congress passed the Anti-Kickback Statute in an attempt to deter the growing problem of fraud and abuse in the health care system.

88. The purpose of Anti-Kickback Statute was to ensure that referral decisions are made solely with the goal of a patient's well-being. Referring patients based on the expectation of personal profit corrupts the health care system because it encouraged medical providers and others to make referral decisions for reasons relating to personal profit rather than a patient's best interests. The payment of kickbacks also corrupted the health care system because they have the effect of generating business for the dishonest provider at the expense of the honest provider who refused to pay kickbacks.

II. The Pharmaceutical Company and the Fentanyl Spray

89. The "Pharmaceutical Company" was a company incorporated in Delaware and headquartered in Chandler, Arizona.

90. On or about January 4, 2012, the Food and Drug Administration ("FDA") approved the Pharmaceutical Company's application to market a drug ("the Fentanyl Spray") to

patients suffering from breakthrough cancer pain. Breakthrough cancer pain is severe pain that erupts in patients with cancer who are already medicated with a long-acting painkiller.

91. The Fentanyl Spray is designed to rapidly enter the patient's bloodstream upon being sprayed under the tongue.

92. Due to the potency of the Fentanyl Spray and the potential for addiction, the FDA approved the use of the drug solely for "the management of breakthrough pain in cancer patients 18 years of age and older who are already receiving and who are already tolerant to opioid therapy for their underlying persistent cancer pain."

93. The Fentanyl Spray is expensive. The approximate retail cost ranges from just under $2000 per month for 30 doses of the Fentanyl Spray at 200mcg to over $8000 per month for 30 doses of the Fentanyl Spray at the highest dosage of 1600 mcg. The cost of the Fentanyl Spray can exceed $16,000 per month if multiple doses per day are prescribed.

The Kickback Scheme

94. On or about March 23, 2013, defendant **NILESH JOBALIA**, entered into a "Speaker Agreement" with the Pharmaceutical Company. Pursuant to the agreement, **NILESH JOBALIA** received $1600 from the Pharmaceutical Company per speaking engagement. The amount later increased to $2200.

95. From in or about April 2013 to in or about July 2015, the Pharmaceutical Company paid defendant **NILESH JOBALIA** more than $103,000 for participating in events related to the Speaker's Program and purported speaking engagements.

96. Many of the purported speaking programs conducted by defendant **NILESH JOBALIA,** and for which he received payment from the Pharmaceutical Company, were sham programs in which no other medical professionals permitted to prescribe the Fentanyl Spray

were even present. For many programs, the only attendees were **NILESH JOBALIA,** the Pharmaceutical Company's sales representative, and staff members from **NILESH JOBALIA's** office or other physicians' offices. The programs were typically conducted at fine dining restaurants in the Cincinnati area, in which dinner was provided to the attendees. Many of the attendees attended multiple dinner programs.

97. During the years that defendant **NILESH JOBALIA** participated in the Speaker's Program, the number of prescriptions he wrote, that were reimbursed by Medicare, also rose. For example, in 2013, the Pharmaceutical Company paid **NILESH JOBALIA,** $29,900. In that same year, Medicare payments for prescriptions of the Fentanyl Spray written by **NILESH JOBALIA** increased to $83,622.76, with the first payment occurring about one-month after **NILESH JOBALIA** signed the Speaker's Program contract. In 2014, payments from the Pharmaceutical Company to **NILESH JOBALIA**, increased to $59,450, as did Medicare payments for prescriptions of the Fentanyl Spray written by **NILESH JOBALIA**, which reached $463,029.99. In mid-2015, **NILESH JOBALIA** stopped receiving such payments. At the same time, **NILESH JOBALIA's** issuance of Fentanyl Spray prescriptions drastically decreased.

98. On or about the dates listed below, in the Southern District of Ohio and elsewhere, defendant **NILESH JOBALIA**, did knowingly and willfully solicit and receive the remuneration listed below, directly and indirectly, overtly and covertly, in return for arranging for the purchase and order of goods, services, and items, that is prescriptions for the Fentanyl Spray, for which payment was made in whole or in part by a federal health care program, namely Medicare and/or Medicaid:

Count	Date Payment Received by JOBALIA	Payment Amount	Date and Location of Purported Speaking Program
98	On or about 09/12/2013	$1600	8/20/2013 at Eddie Merlot's Cincinnati, Ohio
99	On or about 11/07/2013	$1600	9/10/2013 at Eddie Merlot's Cincinnati, Ohio
100	On or about 11/27/2013	$1600	10/29/2013 at Cincinnati Centers Pain Relief Hamilton, Ohio
101	On or about 12/05/2013	$1600	11/12/2013 at Eddie Merlot's Cincinnati, Ohio
102	On or about 04/22/2014	$1600	3/18/2014 at Montgomery Inn Cincinnati, Ohio
103	On or about 04/24/2014	$1600	4/1/2014 at Capital Grille Cincinnati, Ohio
104	On or about 06/11/2014	$1600	05/08/2014 at Pain Network Solutions Cincinnati, Ohio
105	On or about 06/11/2014	$1600	5/20/2014 at Eddie Merlot's Cincinnati, Ohio
106	On or about 06/27/2014	$1600	6/10/2014 at Seasons 52 Cincinnati, Ohio
107	On or about 07/02/2014	$1600	6/17/2014 at Capital Grille Cincinnati, Ohio
108	On or about 07/25/2014	$1600	7/11/2014 at Final Cut Lawrenceburg, Indiana
109	On or about 08/21/2014	$1600	07/29/2014 at Eddie Merlot's Cincinnati, Ohio
110	On or about 10/15/2014	$2200	09/23/2014 at Eddie Merlot's Cincinnati, Ohio
111	On or about 10/15/2014	$2200	9/30/2014 at Eddie Merlot's Cincinnati, Ohio
112	On or about 02/10/2015	$2200	1/27/2015 at Ruth's Chris Cincinnati, Ohio

113	On or about 03/09/2015	$2200	02/24/2015 at Eddie Merlot's Cincinnati, Ohio
114	On or about 05/28/2015	$2200	5/12/2015 at Fleming's Cincinnati, Ohio

All in violation of 42 U.S.C. §1320(a)-7b(b).

A TRUE BILL.

s/Foreperson
GRAND JURY FOREPERSON

BENJAMIN C. GLASSMAN
UNITED STATES ATTORNEY

SALVADOR A. DOMINGUEZ
Assistant United States Attorney

ATTACHMENT A

VICTIM HEALTH CARE PROGRAMS

Fed.R.Crim.P. 12.4 Disclosure Statement

The following are the victim health care programs:

A. The Medicare Program
Centers for Medicare and Medicaid
7500 Security Boulevard
Baltimore, Maryland 21244

Medicare is a federal health program providing benefits to persons who are over the age of 65 or disabled. Medicare is administered by Centers for Medicare and Medicaid Services (CMS), a federal agency under the United States Department of Health and Human Services. CMS is responsible for payments of claims submitted by approved providers for health care benefits, items, or services rendered to qualified beneficiaries.

The United States Department of Health and Human Services (HHS) is an agency of the United States. CMS is the agency of HHS delegated with administering Medicare. Medicare Part A covers inpatient hospital services. CMS administers Medicare Part B through private insurance companies known as "carriers." Medicare Part B helps pay the cost of health care items and physician's services, including office visits, outpatient therapy, medical supplies and medical tests.

B. The Medicaid Program
The Ohio Department of Medicaid
50 West Town Street, Suite 400
Columbus, Ohio 43215

Medicaid, established by Congress in 1965, provides medical insurance coverage for individuals whose incomes are too low to meet the costs of necessary medical services. Approximately 60% of the funding for Ohio's Medicaid program comes from the federal government. The Ohio Department of Medicaid (ODM), Columbus, Ohio, manages the Medicaid program, which was previously managed by the Ohio Department of Job and Family Services (ODJFS). ODM receives, reviews, and obtains formal authority to make payment of Medicaid claims submitted to it by providers of health care benefits, items or services.

ODM contracts with Medicaid Managed Care Organizations (MCOs) through contracts known as Contractor Risk Agreements (CRAs), which conform to the requirements of 42 U.S.C. §§1395mm and §1396b(m), along with any related federal rules and regulations. MCOs are health insurance companies that provide coordinated health care to Medicaid beneficiaries. The MCOs contract directly with the healthcare providers, including hospitals, doctors, and other health care providers to coordinate care and provide the health care services for Medicaid

beneficiaries. Providers who contract with an MCO, are known as Participating Providers. Pursuant to the CRAs, ODM distributes the combined state and federal Medicaid funding to the MCOs, which then pay Participating Providers for treatment of Medicaid beneficiaries. Aetna, CareSource, Molina, and United Health Care are Medicaid MCOs that paid claims for office visits, moderate sedation services, injections, pharmaceuticals, items, or benefits to NILESH JOBALIA and/or Cincinnati Center for Pain Relief (CCPR).

C. Ohio Bureau of Workers' Compensation
30 West Spring Street
Columbus, Ohio 43215

The Ohio Bureau of Worker' Compensation (BWC) is a public "no fault" insurance system that compensates employees for work related injuries or illnesses. BWC provides insurance to approximately two-thirds of Ohio's work force. Employees not covered directly by BWC receive coverage through their employers. These companies are part of a self-insurance program for large and financially stable employers who met strict qualifications set by BWC.

BWC manages all medical and lost-time claims, initiates coverage and determines premium rates and manual classifications. BWC also collect premiums from employers, determine the initial allowance or denial on claim applications, disburses money to pay compensation, and manages the state insurance fund. Providers are reimbursed by BWC for rendered medical services provided they are certified by BWC, the services provided were medically necessary, were properly coded, were properly documented and in accordance with BWC rules and regulations. BWC receives, reviews, and obtains formal authority to make payment of workers' compensation claims submitted to it by BWC providers of health care benefits, items or services.