

FILED
6/21/2024

KSR

THOMAS G. BRUTON
CLERK, U.S. DISTRICT COURT

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)	Case No.
)	
vs.)	Violation: Title 18, United States
)	Code, Sections 1347
)	and 2
KATHRYN BACH)	

The UNITED STATES OF AMERICA Charges:

1. At times material to this Information:

Defendant and Defendant’s Employer

a. Defendant KATHRYN BACH was a Licensed Clinical Social Worker (“LCSW”) in the State of Illinois.

b. Provider A was a health care company that provided, among other services, psychotherapy to seniors who resided in memory care facilities. Provider A was based in Tennessee and operated in Illinois.

c. BACH was an employee of Provider A. Provider A paid BACH an hourly rate for the care BACH provided on behalf of Provider A. Payments were based on weekly time sheets BACH submitted electronically to Provider A that listed, among other information, the location where BACH provided psychotherapy care and the number and length of psychotherapy sessions she provided.

The Medicare Program

d. The Medicare Program (“Medicare”) was federal health program that provided free or below-cost health care benefits to disabled persons and persons who were 65 years of age or older.

e. Medicare was administered by the Centers for Medicare and Medicaid Services, a federal agency under the United States Department of Health and Human Services. Individuals who received benefits under Medicare were referred to as Medicare “beneficiaries.”

f. Medicare was a “health care benefit program” as defined by Title 18, United States Code, Section 24(b).

g. Medicare was divided into four parts and covered specific benefits, items, and services: hospital insurance (Part A), medical insurance (Part B), Medicare Advantage (Part C), and prescription drug benefits (Part D).

h. Medicare Part B covered certain medical services, including psychotherapy, that was provided to beneficiaries at their homes or places of residence. Medicare only paid for medically necessary services and items that were actually rendered.

i. Physicians, clinics, LCSWs, and other health care providers (collectively, “providers”) that provided services to Medicare beneficiaries were able to apply for and obtain a “provider number.” A provider that received a Medicare

provider number was able to file claims with Medicare to obtain reimbursement for services and items provided to beneficiaries.

j. Individual providers enrolled in Medicare could assign their Medicare privileges to another Medicare provider, such as a medical practice or company, which granted authority for that practice or company to bill Medicare for services rendered by the individual on behalf of the practice or company.

k. By enrolling in Medicare, providers agreed to abide by Medicare laws, regulations, and program instructions. Enrolled providers further agreed not to knowingly cause any false or fraudulent claim to be presented for payment by Medicare.

l. Providers who had been convicted of a felony offense within 10 years of their application to enroll in Medicare could not become enrolled as Medicare providers. The Medicare enrollment application required providers to disclose whether they had been subject to adverse legal actions, including a felony conviction within the preceding 10 years. Further, the Medicare enrollment application required that providers certify that they would notify the Medicare Administrative Contractor if there were any changes to the information provided in the application, including any final adverse legal action.

m. Medicare regulations required enrolled providers to maintain complete and accurate medical records reflecting the medical assessments of diagnoses of treated beneficiaries, as well as records documenting actual treatment

of the beneficiaries to whom services were provided and for whom the enrolled providers submitted claims for payment. Medicare required complete and accurate medical records so that Medicare could verify that the enrolled providers rendered the services as described in the claims for payment. These records were required to be sufficient to permit Medicare to review the appropriateness of Medicare payments made to the enrolled providers.

2. From in or around October 2020, and continuing through in or around April 2022, in the Northern District of Illinois, Eastern Division, and elsewhere,

KATHRYN BACH,

defendant herein, participated in a scheme to defraud a health care benefit program, namely, Medicare, and to cause Provider A 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 Medicare, in connection with the delivery of and payment for health care benefits, items, and services, as further described below.

3. It was part of the scheme that in or around June 2020, BACH submitted false and fraudulent enrollment documents to Medicare in which she falsely certified that she would submit only true and accurate claims and notify Medicare if any information in her application changed. As part of the enrollment process, BACH assigned her Medicare benefits to Provider A, which granted

Provider A authority to bill Medicare for the services that BACH purportedly provided on behalf of Provider A.

4. It was further part of the scheme that Provider A billed Medicare for services that BACH purportedly provided on behalf of Provider A based on the weekly time sheets submitted by BACH. Provider A also required BACH to complete a patient progress note for each session of psychotherapy she provided.

5. It was further part of the scheme that BACH caused to be submitted false and fraudulent claims to Medicare for psychotherapy services that were not provided, including services purportedly provided to Medicare beneficiary L.G., to obtain payment from Provider A to which she was not entitled.

6. It was further part of the scheme that BACH caused to be submitted false and fraudulent claims to Medicare for services purportedly provided to beneficiaries at memory care facilities in Illinois on dates when BACH was not in Illinois, and when in fact the services were not provided.

7. It was further part of the scheme that BACH caused to be submitted false and fraudulent claims to Medicare for services purportedly provided to beneficiaries at memory care facilities on dates when the beneficiaries were not at those facilities because they were hospitalized at other inpatient facilities, and when in fact the services were not provided.

8. It was further part of the scheme that BACH caused to be submitted false and fraudulent claims to Medicare for services purportedly provided to

beneficiaries on dates after the beneficiaries were deceased.

9. It was further part of the scheme that BACH fabricated patient progress notes to support false and fraudulent claims that she caused to be submitted to Medicare, knowing that the services associated with those progress notes were not provided.

10. It was further part of the scheme that BACH concealed, misrepresented, and hid, and caused to be concealed, misrepresented, and hidden, the existence, purpose, and acts done in furtherance of the scheme.

11. On or about April 16, 2021, in the Northern District of Illinois, Eastern Division, and elsewhere,

KATHRYN BACH,

defendant herein, did knowingly and willfully execute and attempt to execute the above-described scheme by causing to be submitted a claim to Medicare for a purported psychotherapy session with beneficiary L.G., knowing that such care was not provided;

In violation of Title 18, United States Code, Sections 1347 and 2.

FORFEITURE ALLEGATION

1. Upon conviction of an offense in violation of Title 18, United States Code, Section 1347, as set forth in this Information,

KATHRYN BACH,

defendant herein, shall forfeit to the United States of America any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense, pursuant to Title 18, United States Code, Section 982(a)(7).

2. The property to be forfeited includes, but is not limited to a personal monetary judgment in an amount equal to the gross proceeds traceable to the commission of the offense, calculated to be \$122,130.

3. If any of the property described above, as a result of any act or omission by the defendant: cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty, the United States of America shall be entitled to forfeiture of substitute property, as provided in Title 21, United States Code, Section 853(p).

Victor B. Ganz for

GLENN S. LEON
UNITED STATES DEPARTMENT OF JUSTICE
CRIMINAL DIVISION, FRAUD SECTION
CHIEF

Victor B. Yanz

VICTOR B. YANZ
UNITED STATES DEPARTMENT OF JUSTICE
CRIMINAL DIVISION, FRAUD SECTION
TRIAL ATTORNEY