

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	Case No. <u>16-40046-DDC</u>
	)	
KRISTINA HANSEL,	)	Count 1: 18 U.S.C. § 371
	)	Counts 2 – 6: 18 U.S.C. § 1347
Defendant.	)	Counts 1 – 6: 18 U.S.C. § 2
_____	)	

INDICTMENT

The Grand Jury charges:

At all material times:

Introduction

1. From in or about January 2012, and continuing through at least in or about June 2014, the exact dates being unknown to the Grand Jury, defendant **KRISTINA HANSEL**, while owner and operator of Achieve, LLC (“Achieve”), a provider of Day and Residential Services, engaged in a continuing conspiracy and scheme to defraud the Kansas Medicaid Program (“Medicaid”) by causing Medicaid to pay for false and fraudulent claims.

2. During the course of her scheme to defraud Medicaid, defendant **KRISTINA HANSEL** submitted, and caused to be submitted, materially false and fraudulent claims totaling over \$710,000.00, for which Medicaid paid over \$661,000.00.

3. The claims that defendant **KRISTINA HANSEL** submitted, and caused to be submitted, and for which defendant received payment, were materially false and fraudulent in one or more of the following respects:

- a. Services were not provided;
- b. Claims were supported by false and fraudulent documentation, or no documentation at all;
- c. The defendant's license to provide services was issued and/or renewed as a result of defendant's false and fraudulent statements and documentation.

The Medicaid Program

4. Title XIX of the Social Security Act established the Medicaid program to provide necessary medical services to physically disabled and/or low income individuals. Medicaid is a health care benefit program funded by both federal and state governments, and is engaged in and affects interstate commerce.

5. Medicaid's Home and Community Based Services Program for intellectually and developmentally disabled individuals offers services to prevent their institutionalization. Day Services and Residential Services are examples of services which may be available. These services must be pre-authorized.

6. Medicaid only pays claims submitted by persons or entities enrolled in the Medicaid Program and assigned a Medicaid provider number. Medicaid may

also require the provider to obtain additional licenses and certifications if the provider has a designated specialty, such as Day Services and Residential Services. These provider specialties require licensure by the Kansas Department on Aging and Disability Services and affiliation with the local Community Developmental Disability Organization.

7. The Kansas Department on Aging and Disability Services performs periodic licensing reviews to ensure the provider's compliance with state licensing regulations. The Community Developmental Disability Organization may also participate in these reviews to ensure compliance with the provider's Affiliate Agreement.

8. Day Services are regularly occurring activities to maintain or increase adaptive capabilities, productivity, independence, or integration and participation in the community. Medicaid requires that the beneficiary be out of their home a minimum of five (5) hours per day, or a minimum total of 25 hours per week. Although this may be accomplished through more than five hours on some days, and less than five hours on other days, the weekly total must be at least 25 hours.

9. Residential Services are provided to individuals living in a residential setting with someone who does not meet the definition of "family." These services provide assistance with activities of daily living, *e.g.*, personal grooming and cleanliness, household chores, medication administration, and food preparation.

10. Information gathered through assessments determines each individual's unique support needs and necessary level of services based upon behavior and health. The individual's needs and preferences are summarized into a Person Centered Support Plan that the service provider will use to direct the individual's care.

11. Through the assessment process, a Tier level is assigned to each individual, with a Tier 1 requiring the highest level of services and support, down to a Tier 5 requiring the lowest level of services and support. Medicaid's rate of payment for Day and Residential Services varies based upon Tier level, with Tier 1 receiving the highest rate of payment.

Achieve Services, LLC

12. Defendant **KRISTINA HANSEL** owned and operated Achieve Services, LLC, in Topeka, Kansas until approximately July 29, 2014. Achieve's business office was located in defendant **KRISTINA HANSEL**'s Topeka residence. Achieve ostensibly provided Day Services at a day center location in Topeka and Residential Services at each client's residence throughout Topeka.

13. In or about September 2009, defendant **KRISTINA HANSEL** executed a Medicaid provider agreement, designating Day Services and Residential Services as her Medicaid provider specialties, and the Kansas

Department on Aging and Disability Services issued a license to Achieve to provide Day and Residential Services.

14. In 2009, defendant **KRISTINA HANSEL** executed an Affiliate Agreement with the Shawnee County Community Developmental Disability Organization to provide Day and Residential services. This Affiliate Agreement was renewed annually. Among other things, the Affiliate Agreement required the defendant to:

- a. Fulfill all licensing requirements;
- b. Maintain detailed records of services provided on a daily basis to show that services were in fact delivered, and make such records available for review by the Community Developmental Disability Organization, federal, and state agencies;
- c. Report any critical incidents to the Community Developmental Disability Organization; a failure to do so could result in termination of the affiliate agreement. A client's critical incident includes the following:
 - i. contact with law enforcement as a suspect or victim;
 - ii. an unexpected medical or mental health emergency and/or hospitalization;
 - iii. an incident of potential physical harm, mental/emotional harm, sexual abuse/exploitation, or theft or exploitation of money or possessions.

15. Throughout the period beginning at least in or about January 2012, and continuing through in or about June 2014, defendant **KRISTINA HANSEL** received payment from Medicaid for Day and Residential Services ostensibly provided to five (5) Medicaid beneficiaries: Travis R; Crystal T; George H; Donovan B; and Oma B. A sixth client, LaSean H, apparently received services through Achieve paid for through non-Medicaid funding.

Billing Medicaid for Day and Residential Services

16. Throughout the relevant period, defendant **KRISTINA HANSEL** performed all billing for Achieve.

17. For Medicaid billing purposes, one unit of Day Services equaled one day until January 1, 2014. Beginning January 1, 2014, Day Services were to be billed in 15-minute increments. Regardless, Medicaid requires that the beneficiary be out of their home a minimum of 25 hours per week. Medicaid requires written documentation of Day Services, which, at a minimum, must consist of an attendance record. Minimum components of an attendance record include:

- a. Name of the service;
- b. Beneficiary's first and last name;
- c. Date of service (MM/DD/YY);
- d. A check mark to indicate the beneficiary received the service as defined; and

- e. The signature of a responsible staff person verifying the information is correct.

18. For Medicaid billing purposes, one unit of Residential Services equals one day. Regardless of the amount of Residential Services actually provided, the provider receives the daily rate. But, to bill the daily rate to Medicaid, the individual must be present so that the services can be provided. Also, the provider must document that the services were provided and/or the provider was available to provide the necessary services to the individual.

19. The documentation of both Day Services and Residential Services must be created and maintained during the time period covered by the document; creating documentation after that time is not acceptable. Providers are responsible to insure the service was provided prior to submitting claims to Medicaid. Kansas Administrative Regulations and Kansas Medicaid also require the provider to maintain records supporting services provided to each client, as well as incident reports, for at least five years.

Medication Management

20. As a provider of licensed services, Kansas Administrative Regulations required defendant **KRISTINA HANSEL** to assist her clients in obtaining medical services, including medication administration required to meet each person's

health care needs. This would include developing individualized procedures for the administration of medications.

21. Kansas Administrative Regulations also required defendant **KRISTINA HANSEL** to train staff who would carry out medication administration. This could be achieved through hiring as an employee or contracting with a Kansas-licensed Registered Nurse or Licensed Practical Nurse to provide staff training and oversight on medication administration. Defendant **KRISTINA HANSEL** failed to hire or contract with a licensed nurse, and therefore could not have met the medication administration requirements for her licensure.

22. Medication administration includes documenting medications administered through what is commonly referred to as a Medication Administration Record, or MAR. The MAR serves as the legal record of the drugs administered to a client by a health care professional and becomes part of the client's medical record. Among other things, the MAR allows the team caring for the client to track whether, when, what, and how drugs were administered, and by whom. For convenience, with each medication filled and refilled, pharmacies provide a Medication Administration Record, tailored to the individual client.

23. Heartland Pharmacy in Lawrence, Kansas, filled prescriptions for Achieve clients. Heartland packaged the medications in bubble packs, separated

out by dose, and accompanied by detailed, individualized Medication Administration Records.

24. Beginning in or about June 2012, defendant **KRISTINA HANSEL** routinely removed clients' medications from the individualized bubble packs and repacked them in envelopes marked "morning" and "evening." Additionally, defendant **KRISTINA HANSEL** removed the Medication Administration Records that accompanied the bubble packs from the pharmacy.

COUNT 1 – CONSPIRACY

25. The Grand Jury incorporates by reference Paragraphs 1 through 24 as though fully restated and re-alleged herein.

26. Beginning at least in or about January 2012, and continuing through at least June 2014, the exact dates being unknown to the Grand Jury, in the District of Kansas, defendant **KRISTINA HANSEL** knowingly and willfully combined, conspired, confederated, and agreed with others, both known and unknown to the Grand Jury:

- a. to commit offenses against the United States, that is, health care fraud, in violation of Title 18, United States Code, Section 1347; and
- b. to defraud the United States and departments and agencies thereof, namely the Department of Health and Human Services and the Centers for Medicare and Medicaid Services, by impairing, impeding,

and obstructing by craft, trickery, deceit, and dishonest means, their lawful and legitimate functions in administering health care and health plans, including Medicaid.

Purpose of the Conspiracy and Scheme

27. A purpose of the defendant's conspiracy and scheme was to make money by defrauding Medicaid.

Manner and Means

28. Defendant **KRISTINA HANSEL** and others used the following manner and means in furtherance of the continuing conspiracy and scheme to defraud Medicaid. In so doing, defendant **KRISTINA HANSEL** and others, at times, used and perverted lawful conduct to further the conspiracy and scheme.

29. It was a part and object of the continuing conspiracy and scheme to defraud that from at least in or about January 2012, through at least in or about June 2014, defendant **KRISTINA HANSEL** submitted, and caused to be submitted, materially false and fraudulent claims to Medicaid for services ostensibly provided to Medicaid beneficiaries, which services were: (1) not provided, and (2) supported by false and fraudulent documents, or no documents at all.

30. It was further a part and object of the continuing conspiracy and scheme to defraud that defendant **KRISTINA HANSEL** created false records of

training necessary to maintain Achieve's license, and directed staff to sign documents indicating they had attended training sessions when, in fact, Achieve staff never received the necessary training.

31. It was further a part and object of the continuing conspiracy and scheme to defraud that defendant **KRISTINA HANSEL**, in order to prevent discovery by licensing authorities, withheld medical treatment and directed others to help her cover up George H's medication overdoses.

32. It was further a part and object of the continuing conspiracy and scheme to defraud that defendant **KRISTINA HANSEL** directed Achieve staff to falsify documentation to reflect services had been provided, when, in fact, the services had not been provided.

Overt Acts

33. In furtherance of the continuing conspiracy and scheme to defraud, and to accomplish their purposes and objectives, one or more of the co-conspirators committed in the District of Kansas the following overt acts, among others: each of the allegations set forth in Counts 2-6 are incorporated and re-alleged as though restated herein, as an individual overt act done in furtherance of the conspiracy.

34. The foregoing is in violation of Title 18, United States Code, Sections 2 and 371.

COUNTS 2 - 5 HEALTH CARE FRAUD

35. The Grand Jury incorporates Paragraphs 1 through 34 by reference as though fully realleged and restated herein.

36. Beginning at least in or about January 2012, and continuing through at least in or about June 2014, the exact dates being unknown to the Grand Jury, defendant **KRISTINA HANSEL** executed a scheme to defraud a health care benefit program, namely Medicaid, in connection with the payment for health care benefits and services.

37. Defendant **KRISTINA HANSEL** billed Medicaid for the full amount of Day Services daily despite the fact that:

- (1) the Achieve Day Center was closed on holidays;
- (2) Achieve clients did not attend Day Services due to, e.g., medical appointments, sickness, medication overdose, unexplained absences, or trips out of town;
- (3) Achieve staff did not provide the required number of service hours; and
- (4) few, if any, Day Services were documented, or documentation was falsified.

38. Defendant **KRISTINA HANSEL** billed Medicaid for daily Residential Services despite the fact that:

- (1) few, if any, Residential Services were documented;
- (2) Residential Services had little to no contact with clients; and
- (3) the defendant failed to provide required medication administration training necessary for Achieve's licensure, a prerequisite to billing Medicaid.

39. As a result, the claims that defendant **KRISTINA HANSEL** submitted, and caused to be submitted, and for which defendant received payment, were materially false and fraudulent.

40. Beginning and continuing through on or about the following dates, in the District of Kansas, for the purpose of executing the above-described scheme and artifice to defraud a health care benefit program, namely Medicaid, in connection with the delivery of and payment for health care benefits, items, and services, and attempting to do so, the defendant,

KRISTINA HANSEL,

knowingly submitted, and caused to be submitted, materially false and fraudulent claims to the Kansas Medicaid program for the following beneficiaries:

Count	Beginning Date	Ending Date	Beneficiary	Amount Billed
2	1/1/2012	12/19/2012	Oma B	\$39,230.78
3	1/1/2012	6/30/2014	Donovan B	\$48,145.30
4	1/1/2012	6/30/2014	Travis R	\$216,139.72
5	1/1/2012	6/30/2014	Crystal T	\$217,958.36

41. The foregoing is in violation of Title 18, United States Code, Sections 2 and 1347.

COUNT 6 -- HEALTH CARE FRAUD
RESULTING IN SERIOUS BODILY INJURY TO GEORGE H

42. The Grand Jury incorporates Paragraphs 1 through 41 by reference as though fully re-alleged and restated herein.

43. Defendant **KRISTINA HANSEL**, along with each client, each client's case manager, guardian(s) as necessary, and individuals participating in the client's care, jointly developed Person-Centered Support Plans for each Achieve client. George H's Person-Centered Support Plan noted his diagnosis of depression and personality disorder; significant behavioral issues; his need for medication management; a history of suicidal thoughts; and his problems with drug and alcohol abuse and addictions. George H's Plan designated defendant **KRISTINA HANSEL** as his health care needs coordinator to assure that all of George H's medical needs were addressed.

44. During 2013, Achieve clients George H and Travis R resided with a developmentally disabled woman in a house in Topeka. George was a Tier 1 client, who needed a high level of care and supervision to meet the needs documented in George's Person Centered Support Plan. The Achieve staff members who were assigned to provide a few hours of Residential Services in George's home each week were not trained in medication administration. In or about March 2013,

George apparently overdosed on his medications, of which defendant **KRISTINA HANSEL** was aware and for which George received no medical treatment.

45. At other times throughout the relevant period, George H frequently visited relatives out of town, attended Alcoholics Anonymous meetings, or was otherwise absent from his residence. George H sometimes went for days without his medications, including his psychotropic drugs necessary to control his behaviors. No MARs documented whether or when George H took his medications. Few, if any, Residential Services or Day Services were ever documented for George H. Yet, the defendant **KRISTINA HANSEL** billed Residential Services and Day Services as though provided daily to George H throughout the case period.

46. From in or about January 2012, and continuing through in or about June 2014, defendant **KRISTINA HANSEL** submitted, and caused to be submitted, materially false and fraudulent claims for services allegedly provided to George H totaling \$189,154.44, for which Medicaid paid \$180,512.95.

47. On or about April 24, 2013, Achieve client George H told one of his roommates to give him at least three days' worth of his 10 prescribed medications, which included psychotropic drugs. No Achieve staff was present. George consumed all of the medications in front of the roommate. The roommate called defendant **KRISTINA HANSEL** to tell her what George H had done. Several

hours later, following a second phone call to defendant **KRISTINA HANSEL**, defendant **KRISTINA HANSEL** took an Achieve staff member with her to George H's home. George H was unconscious on the living room floor and had vomited and soiled himself. The staff member urged defendant **KRISTINA HANSEL** to call for an ambulance, but defendant **KRISTINA HANSEL** refused, stating that she would get in trouble if anyone found out about George H's overdose. Defendant **KRISTINA HANSEL** then called another individual to come to George H's house, who upon seeing George H, also urged defendant **KRISTINA HANSEL** to call an ambulance. Defendant **KRISTINA HANSEL** had called this same individual to assist her with George H's earlier overdose in or about March 2013.

48. A visit from a state licensing reviewer was scheduled for the following morning, April 25, 2013. Defendant **KRISTINA HANSEL** unsuccessfully attempted to cancel the visit. Throughout the evening of April 24, 2013, and into the morning hours, defendant **KRISTINA HANSEL** attempted multiple ways to force George H to vomit, including forcing mustard and mayonnaise into his mouth, despite George H's lack of responsiveness or consciousness.

49. Defendant **KRISTINA HANSEL** then directed the two individuals to help her drag George H into the bathroom. The three held up George H in the

shower and tried to wash him, while he continued to soil himself, then wrapped him in a blanket and placed him on the couch in the living room. Defendant **KRISTINA HANSEL** put cologne on George to cover up the odor, and placed a bucket and some Nyquil next to George to make it appear that he was sick with the flu.

50. The morning of April 25, 2013, an employee from the Kansas Department on Aging and Disability Services arrived at George H's residence for a review. Defendant **KRISTINA HANSEL** told her that George H had the flu. George H never opened his eyes and could only respond with a "yes" to a question the reviewer asked him.

51. No Residential Services were documented for George H for April 24 or 25, 2013. No MARs documented administration of George's medications. No critical incident report documented George's overdose. Nevertheless, despite the failure to appropriately administer medication to George H, and the deliberate withholding of medical care and failure of care, defendant **KRISTINA HANSEL** billed the full amount of Residential Services for April 24 through April 27, 2013, totaling \$524.88.

52. From in or about January 2012, continuing through in or about June 2014, in the District of Kansas, for the purpose of executing the above-described scheme and artifice to defraud a health care benefit program, namely Medicaid, in

connection with the delivery of and payment for health care benefits, items, and services, and attempting to do so, the defendant,

KRISTINA HANSEL,

knowingly and willfully submitted and caused to be submitted materially false and fraudulent claims to Kansas Medicaid for services not provided to George H, resulting in George H's serious bodily injury.

53. The foregoing is in violation of Title 18, United States Code, Sections 2 and 1347.

FORFEITURE

54. Upon conviction of one or more of the conspiracy and health care offenses alleged in Counts 1 – 6 of this indictment, defendant shall forfeit to the United States pursuant to 18 U.S.C. § 982(a)(7), all property, real and personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense, including, but not limited to, a sum of money equal to the amount of the proceeds obtained as a result of the offenses alleged in Counts 1-6.

55. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- 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 difficulty,

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p) as incorporated by 18 U.S.C. § 982(b), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

A TRUE BILL.

Dated: June 1, 2016

s/FOREPERSON
FOREPERSON

s/ Stefani K. Hepford #21233
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for Thomas Beall, #19929
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(It is requested that trial of the above-captioned case be held in Topeka, Kansas.)