

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

UNITED STATES OF AMERICA,

Plaintiff,

v.

LUZ DE ALBA QUEZADA-DE JESÚS,

Defendant.

INDICTMENT

CRIMINAL NO. 17- 397 (GAG)

VIOLATIONS:

18 U.S.C. § 1347

(Health care Fraud)

18 U.S.C. § 1035(a)(2)

(False Statements relating to Health care Matters)

18 U.S.C. § 982(a)(7)

(Forfeiture Allegation)

**FOUR COUNTS and
FORFEITURE ALLEGATION**

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U.S. DISTRICT COURT
SAN JUAN, PR

THE GRAND JURY CHARGES:

INTRODUCTORY ALLEGATIONS

At all times material to this Indictment:

The Medicaid Program in the Commonwealth of Puerto Rico

1. The Medicaid Program ("Medicaid") was a federal health benefit program intended to provide benefits to low-income individuals and families. Medicaid was monitored and funded by the United States Department of Health and Human Services ("HHS") through its agency, the Centers for Medicare and Medicaid Services ("CMS").

2. In the Commonwealth of Puerto Rico, Medicaid was referred to in Spanish as "*Mi Salud*" or "*Plan de Salud del Gobierno*" ("PSG"). *Mi Salud* beneficiaries included Medicaid participants and "state only funded health care recipients" commonly referred to as "Commonwealth

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participants”. Whether an individual was eligible for Medicaid or Commonwealth health care benefits depended on certain eligibility requirements.

3. Although Medicaid was federally funded, it was administered by the states and/or United States territories, including the Commonwealth of Puerto Rico. The Puerto Rico Department of Health (“PR-DOH”) was the designated single state agency responsible for Medicaid and the Commonwealth of Puerto Rico. HHS provided the PR-DOH approximately \$1 billion annually to fund and/or reimburse the costs of Medicaid.

4. Within the PR-DOH, the Office of the Medicaid Program, also known in Spanish as “*Programa de Asistencia Médica*,” or “*Programa Medicaid*,” was responsible for handling applications for the Medicaid eligibility, certification and recertification process.

5. Medicaid and the Commonwealth health plan eligibility was determined by a Program Technician, a government employee from the *Programa de Asistencia Médica*, during a personal interview with the applicant. The Program Technician was responsible for reviewing and certifying that the proof of income and available resources provided by the applicant met the requirements for enrollment into the program.

6. In order for a person to be eligible to receive *Mi Salud* benefits, the applicant must have a Social Security Number, be a United States citizen, a legal resident alien, or a permanent resident of Puerto Rico and meet the income and resources tests for the applicable household size.

7. The Program Technician entered the *Mi Salud* applicants’ individually identifiable information as well as the eligibility calculations performed during the applicant’s interview in the *Programa de Asistencia Médica*’s database, also known as the Medicaid Integrated Technology Initiative (“MEDITI”) database.

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8. The Program Technician was responsible for creating a hard-copy file containing the applicant's individually identifiable information and the required supporting documents provided during the eligibility interview. The hard-copy file was required to be stored in the office where the benefits were approved.

9. The individually identifiable information for *Mi Salud* participants' declared eligibility was transferred daily to the Puerto Rico Health Insurance Administration, known in Spanish as "*Administración de Seguros de Salud de Puerto Rico*" ("ASES"), in order to complete the enrollment process with the various contracted "Managed Care Organizations" ("MCO"). The contracted MCOs received the eligible *Mi Salud* participants' information from ASES and subsequently mailed the health care insurance card to the eligible participant to their reported mailing address using the United States Postal Service (USPS).

10. ASES was responsible for contracting MCOs that provided health care coverage to all eligible *Mi Salud* participants. ASES paid monthly premiums to the contracted plans for purposes of providing health care benefits to *Mi Salud* and/or PSG participants. Monthly premiums were paid to the MCOs regardless of whether or not the participant requires health care services. MCOs paid claims submitted by providers for medical services furnished to *Mi Salud* participants.

11. First Medical Health Plan Inc. was a contracted MCOs to service the *Mi Salud* and/or PSG patient population.

12. ASES was also responsible for contracting Pharmacy Benefit Managers that received, adjudicated and reimbursed prescription drugs claims submitted by local pharmacies on behalf of all eligible *Mi Salud* participants.

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13. MC-21 Corporation was the contracted Pharmacy Benefit Manager (“PBM”) by ASES to service the *Mi Salud* and/or PSG patient population.

14. Prior to April 2015, the *Mi Salud* and/or PSG was provided through a Third Party Administrator (“TPA”). Under this model, ASES paid a capitation to the Independent Physician Association (IPA) to administer the medical care of *Mi Salud* and/or PSG participants, paid an administrative fee to the TPA to process provider claims and for the general administration of the *Mi Salud* plan, and paid providers for all services furnished under the fee for service arrangement.

15. Triple-S was the contracted Third Party Administrator by ASES to service the *Mi Salud* and/or PSG patient population.

16. Medicaid, *Mi Salud* and/or PSG, Triple-S, First Medical Health Plan Inc. were health care benefit programs as defined by Title 18, *United States Code*, Section 24(b).

COUNT ONE

Health Care Fraud

(Title 18, *United States Code*, Section 1347)

1. The object of the scheme and artifice to defraud was for the defendant to devise and execute a plan to fraudulently enroll in Medicaid, also known as *Mi Salud*, through First Medical Health Plan Inc., a health care benefit program, as defined in Title 18, *United States Code*, Section 24(b), by means of materially false and fraudulent pretenses, representations and promises, money and property owned by, and under the custody and control of the health care benefit program, in connection with the delivery of and payment for health care benefits, items, and services by making false statements during the *Mi Salud* eligibility enrollment process in order to qualify for health care services that she was ineligible to receive in violation of Title 18, *United States Code*, Section 1347.

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2. From on or about October 24, 2013, through on or about May 31, 2016, in the District of Puerto Rico and within the jurisdiction of this Court, the defendant,

LUZ DE ALBA QUEZADA DE JESÚS,

did knowingly and willfully devise and execute and attempt to execute the above-described scheme and artifice to defraud by means of materially false and fraudulent pretenses, representations, and promises, services, money and property owned by and under the custody and control of Medicaid, also known as *Mi Salud*, through First Medical Health Plan Inc., a health care benefit program as defined in Title 18, *United States Code*, Section 24(b), in connection with the payment for health care benefits, items, and services. All in violation of Title 18, *United States Code*, Section 1347.

COUNT TWO

**False Statements Relating to Health Care Matters
(Title 18, *United States Code*, Section 1035(a)(2))**

1. All preceding allegations are hereby realleged and incorporated by reference as though fully set forth herein.

2. On or about June 29, 2015, in the District of Puerto Rico, and within the jurisdiction of this Court, the defendant,

LUZ DE ALBA QUEZADA DE JESÚS,

did knowingly and willfully made a materially false, fictitious and fraudulent statement and representations, to wit: by certifying she was unemployed and her income came from the Nutrition Assistance Program (*PAN*) from the Puerto Rico Department of Family, when in fact **LUZ DE ALBA QUEZADA DE JESÚS** knew she was receiving income as a United States Postal Service employee, in connection with the payment for health care benefits, items, and services involving Medicaid, also known as *Mi Salud*, through First Medical Health Plan Inc., a

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health care benefit program as defined in Title 18, *United States Code*, Section 24(b). All in violation of Title 18, *United States Code*, Section 1035(a)(2).

COUNT THREE

**False Statements Relating to Health Care Matters
(Title 18, *United States Code*, Section 1035(a)(2))**

1. All preceding allegations are hereby realleged and incorporated by reference as though fully set forth herein.
2. From on or about July 31, 2014 through on or about August 14, 2014, in the District of Puerto Rico, and within the jurisdiction of this Court, the defendant,

LUZ DE ALBA QUEZADA DE JESÚS,

did knowingly and willfully made a materially false, fictitious and fraudulent statement and representations, to wit: by certifying she was unemployed and her income came from the Nutrition Assistance Program (*PAN*) from the Puerto Rico Department of Family, when in fact **LUZ DE ALBA QUEZADA DE JESÚS** knew she was receiving income as a United States Postal Service employee, in connection with the payment for health care benefits, items, and services involving Medicaid, also known as *Mi Salud*, through First Medical Health Plan Inc., a health care benefit program as defined in Title 18, *United States Code*, Section 24(b). All in violation of Title 18, *United States Code*, Section 1035(a)(2).

COUNT FOUR

**False Statements Relating to Health Care Matters
(Title 18, *United States Code*, Section 1035(a)(1))**

1. All preceding allegations are hereby realleged and incorporated by reference as though fully set forth herein.
2. On or about October 24, 2013, in the District of Puerto Rico, and within the jurisdiction of this Court, the defendant,

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LUZ DE ALBA QUEZADA DE JESÚS,

did knowingly and willfully made a materially false, fictitious and fraudulent statement and representations, to wit: by certifying she was unemployed and her income came from the Nutrition Assistance Program (*PAN*) from the Puerto Rico Department of Family, when in fact **LUZ DE ALBA QUEZADA DE JESÚS** knew she was receiving income as a United States Postal Service employee, in connection with the payment for health care benefits, items, and services involving Medicaid, also known as *Mi Salud*, through ~~First Medical Health Plan Inc.~~ ^{Triple S & PAK}, a health care benefit program as defined in Title 18, *United States Code*, Section 24(b). All in violation of Title 18, *United States Code*, Section 1035(a)(2).

FORFEITURE ALLEGATION

Title 18, *United States Code*, Section 982(a)(7)

1. The allegations contained in Counts One to Four of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, *United States Code*, Section 982(a)(7).

2. Upon conviction of the offense in violation of Title 18, *United States Code*, Section 1347 set forth in Count One of this Indictment, the defendant, **Luz De Alba Quezada-De Jesús**, shall forfeit to the United States of America, pursuant to Title 18, *United States Code*, Section 982(a)(7), any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense(s). The property to be forfeited includes, but is not limited to, the following:

a. \$2,615.90 to the United States Department of Health and Human Services (“HHS”)

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

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- 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,

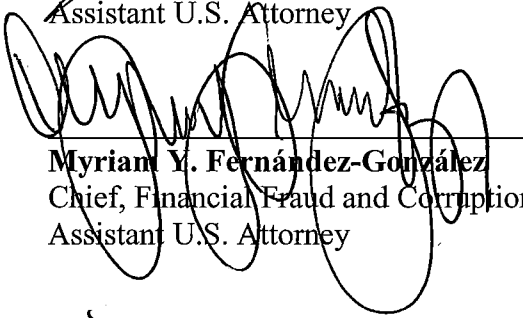
the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, *United States Code*, Section 853(p), as incorporated by Title 18, *United States Code*, Section 982(b)(1). All pursuant to Title 18, *United States Code*, Section 982(a)(7).

TRUE BILL

Rosa Emilia Rodríguez-Vélez
United States Attorney



José Capó-Iriarte
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