

ROUTING AND TRANSMITTAL SLIP	DATE September 20, 1994	
TO: (Name, office symbol, room number, Agency/Post)	Initials	Date
1. <b>MERRICK GARLAND, RM 4208 MAIN</b>		
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<p><b>REMARKS:</b></p> <p>Merrick: Attached memo provided for your information. Criminal Div. has signed off on the attached which will go out to all U.S. Attorneys today.</p> <p>Jerry</p> <p>DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions.</p>		
<p><b>FROM:</b> (Name, org. symbol, Agency/Post)</p> <p><b>GERALD M. STERN</b> Special Counsel for Financial Institution Fraud and Health Care Fraud</p>	<p>Room No. --Bldg.</p> <p><b>4119 - MAIN</b></p>	
	<p>Phone No.</p> <p><b>514-6753</b></p>	



U. S. Department of Justice  
Office of the Deputy Attorney General


Special Counsel for Health Care Fraud

Washington, D.C. 20530

September 19, 1994

MEMORANDUM

TO: All United States Attorneys

FROM: Gerald M. Stern  
Special Counsel for  
Health Care Fraud 

SUBJECT: Pilot Health Care Fraud Projects

PILOT PROJECTS FOR HEALTH CARE FRAUD ENFORCEMENT

Special Counsel for Health Care Fraud invites proposals for pilot programs promoting health care fraud enforcement in U.S. Attorney's Offices. We are interested in fostering creative approaches to health care fraud that can serve as models for future enforcement. Proposals will be considered which focus on particular categories of fraudulent schemes; health care providers; insurance systems; or constitute a more general approach to health care fraud enforcement.

A. Parameters of Proposals:

1. Subject Areas: Open but priority to projects targeting the following (not in order of priority)
  - a. fraud in government health care programs (e.g., Medicare; Champus; Federal Employees Health Plan; etc);
  - b. fraud affecting patient harm; and/or
  - c. fraud involving nursing homes or home health care.
2. Eligibility:
  - a. Any U.S. Attorney's Office may submit one or more proposal(s) for a health care fraud pilot program.

b. Matters Excluded From Coverage: Given the source of this funding, money is not available for salaries.

B. Selection Criteria: The following factors will weigh in favor of proposals

1. Promotion of Parallel Proceedings. This includes the use of criminal/civil/administrative sanctions.

2. Collaboration with State and Local Enforcement and Regulatory Agencies, (e.g, state-based Medicaid Fraud Control Units (MFCUs), State Attorney Generals, District Attorneys, Departments of Aging, Medicare contractors).

3. Prevention/Education: Programs can include outreach to consumers, providers, private insurance companies and citizen advocacy groups.

4. Outreach To Other U.S. Attorneys. Offices should consider ways to share the fruits of the project with nearby U.S. Attorney's Offices.

5. Use of Electronic Fraud Detection. Novel uses and approaches to electronic fraud detection are encouraged.

6. Not Litigation Support. Although a pilot program may involve a litigation initiative, funding should not be used in lieu of existing sources for litigation support.

C. Selection Process.

1. Written proposals should be no longer than ten pages, include the name, phone number and E-mail of the contact point. They should be submitted no later than November 1, 1994 to Special Counsel for Health Care Fraud Gerald M. Stern, Department of Justice, Room 4119, 10th and Constitution, NW, Washington, D.C., 20350.

2. Proposals should describe the pilot program, including goals; means; justification for the focus of the program (e.g., particular fraudulent scheme/provider or other; source of information); time frame; U.S. Attorney personnel who will be involved and their past health care fraud experience; role of other agencies; budget and efforts to find alternative funding.

3. The Special Counsel will make the final decision on approving projects but shall consult, as appropriate, with the Criminal Division, the Civil Division, the Attorney General's Advisory Committee -- Health Care Fraud Subcommittee, and, if necessary, investigative and administrative agencies.