



MAY 19, 2023

Dear Tribal Leader and Urban Indian Organization Leader:

I am writing to notify you of fraud schemes targeting Native American communities in Behavioral Health Treatment Centers.

The U.S. Department of Health and Human Services (HHS) Office of Inspector General (OIG) posted an alert to the public about these fraudulent activities, and on May 16, 2023, Arizona Governor Katie Hobbs and Attorney General Kris Mayes joined the Arizona Health Care Cost Containment System (AHCCCS) OIG to announce payment suspensions¹ against more than 100 unique, registered behavioral health providers of Medicaid services based on credible allegations of fraudulent billing activities.² This action was a coordinated effort by the Arizona Attorney General's Healthcare Fraud and Abuse Section, the Federal Bureau of Investigation, HHS, the U.S. Attorney's Office, and the Internal Revenue Service. The submission of false and fraudulent claims is the result of unethical treatment practices, including patient brokering, unnecessary services, and overcharging.

Most important at this time is for us to care for the people who are victims of this fraudulent activity. The AHCCCS and the State of Arizona have established mechanisms for impacted people to get the care, transportation, and housing they need. The Indian Health Service (IHS), including the Phoenix, Navajo, and Tucson Area Offices, is coordinating with AHCCCS, Tribal leadership, Urban Indian program leadership, and community partners to provide needed treatment, coordination, placement, and transportation.

Thank you to Tribal and Urban Indian Health Program leaders, along with our IHS staff and programs, who have reported concerns to the appropriate law enforcement entities to help put an end to this fraudulent activity. This situation compounds the trauma and exploitation already experienced by American Indians and Alaska Natives, and the Missing and Murdered Indigenous Person (MMIP) problem. We encourage everyone to remain vigilant and continually aware of activities happening in our communities.

Fraudulent residential treatment practices may be residential or outpatient and target vulnerable Native Americans, especially those who are unsheltered, struggling with alcohol and substance abuse, and battling mental illness. Reports indicate the fraudulent providers entice vulnerable individuals with food, money, shelter, and offer treatment and safe housing to lure them into facilities that do not provide treatment.

¹ <https://www.azahcccs.gov/shared/News/PressRelease/PaymentSuspensions.html>

² [Arizona targets phony group homes, accused of defrauding millions from Medicaid system \(azfamily.com\)](https://www.azfamily.com/news/indian-health-service-targets-phony-group-homes-accused-of-defrauding-millions-from-medicaid-system)

The IHS will provide regular communication, new information, and additional details as they become available. Here are several resources immediately available:

- AHCCCS has established a dedicated member hotline at 2-1-1 (press 7) for members affected by the closure of a sober living home or residential facility.
- The HHS OIG has released a Consumer Alert: <https://oig.hhs.gov/fraud/consumer-alerts/fraud-alert-behavioral-health-otcs/>.
- If you have any information regarding this fraud scheme, please direct tips to 1-800-HHS-TIPS (1-800-447-8477).

Fraudulent schemes similar to this may exist undiscovered in other states. It is crucial to remain vigilant and protect yourself and your Tribal members from these deceptive schemes. The safety and privacy of patients is a priority of the IHS and we will continue to monitor and address the ongoing situation. Should you have any questions, please contact your IHS Area Office directly.

Sincerely,

Roselyn Tso
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Roselyn Tso
Director