

Report on Medicare Compliance Volume 30, Number 14. April 12, 2021 Doctor Is Accused of Cheating Three COVID-19 Relief Funds, Redirecting Medicare Payments

By Nina Youngstrom

After allegedly cheating three COVID-19 relief programs—the Provider Relief Fund, COVID-19 Accelerated and Advance Payments and the Paycheck Protection Program (PPP)—a Colorado physician was charged with theft in connection with health care and other crimes, the Department of Justice (DOJ) said April 8.^[1] On top of that, the physician, Francis F. Joseph of Highlands Ranch, allegedly had the Medicare administrative contractor (MAC) switch the bank account for Medicare payments to his former medical group so he could grab the money, according to the grand jury indictment.^[2] The physician spent his allegedly ill-gotten gains on travel and home improvements, among other things.

This is one of the first prosecutions of a provider in connection with COVID-19 relief funds, although it's unusual to see an indictment where multiple programs were allegedly hit at the same time. "What we are seeing is the leading edge of enforcement—the easy cases. But this is a message to traditional providers, hospitals and health systems: Put COVID-related enhanced reimbursements, Provider Relief Fund financing, advance/accelerated payments and PPP loans on your compliance work plan for 2021-2022," said attorney Larry Vernaglia, with Foley & Lardner in Boston. "This is going to be a significant area of enforcement in the coming years."

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