

HHS Provides Update on Suspected Behavioral Health Treatment Center Fraud Targeting Native Americans in Arizona

Category: Policy Blog

written by Alex Sampson | January 3, 2024

On November 14, 2023, the Department of Health and Human Services (HHS) sent a [Dear Tribal Leader and Urban Indian Organization Leader Letter](#) (DTLL/DULL) to provide an update on suspected behavioral health treatment center fraudulent activities in Arizona. The DTLL/DULL provided a list of resources to stay up to date on the matter and described a “whole of government” approach that the Indian Health Service (IHS), Tribal leaders, Urban Indian Health Program leaders, the Arizona Health Care Cost Containment System (AHCCCS), and the State of Arizona are working toward. Specifically, they have established mechanisms to help affected people receive care, transportation, and other needed services. HHS stresses the importance of staying vigilant in addressing this matter.

Background

Suspected fraudulent providers are believed to be targeting vulnerable American Indian and Alaska Native (AI/AN) people who are unsheltered and experiencing the impacts of substance use disorder (SUD) health conditions. Reports indicate the suspected 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. Initially, suspected fraudulent providers focused on recruiting in reservation communities in Arizona and New Mexico, but more recently there are reports of recruitment efforts throughout Indian Country and direct solicitation to the IHS, Tribal Health Programs, and Urban Indian Health Programs in an effort to gain referrals.

On May 16, 2023, Arizona Governor Katie Hobbs and Attorney General Kris Mayes joined the AHCCCS Office of Inspector General (OIG) to [announce payment suspensions](#) against registered behavioral health providers of Medicaid services based on credible allegations of fraudulent billing activities. This first of many actions to stop these criminal activities was a coordinated effort by the Arizona Attorney General’s Healthcare Fraud and Abuse Section, the Federal Bureau of Investigation (FBI), HHS, the U.S. Attorney’s Office, and the Internal Revenue Service. The suspected false and fraudulent claims have been associated with unethical treatment practices, patient brokering, unnecessary services, and overcharging. These actions have led to the suspension of more than 100 unique registered behavioral health providers since the May 16 announcement, and the search for additional fraudulent providers continues.

Resources to Stay Up to Date

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

- AHCCCS regularly updates a list of providers whose payments have been suspended due to Credible Allegations of Fraud. <https://azahcccs.gov/Fraud/Providers/actions.html>
- 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. Resources can be alternatively

reached at (602) 427-4614.

- The State of Arizona maintains a database of licensure and inspections of sober living and behavioral health residential facilities. Reports are public record and are available online.
<https://www.azdhs.gov/licensing/index.php#azcarecheck>
- 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-HHSTIPS (1-800-447-8477).
- The FBI has established a portal “Seeking Victim’s in the Phoenix Group Homes Targeting Native Americans Investigation” to gather information from potential victims of fraudulent behavioral health programs:
<https://www.fbi.gov/how-we-can-help-you/victim-services/seeking-victim-information/seeking-victims-in-the-phoenix-group-homes-targeting-native-americans-investigation>

Should you have any questions, please contact your IHS Area Office directly.