



The Office of the
Minnesota Attorney General
helping people afford their lives and live with dignity, safety, and respect

Minnesota Medicaid Fraud Control Unit

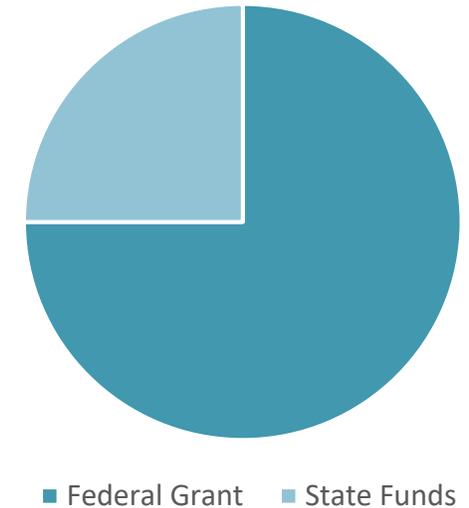
Nick Wanka, MFCU Director

What Is A MFCU?

- Medicaid Fraud Control Unit housed in Minnesota AG's office.
 - All 50 States have MFCUs, most of which are in AGOs, as do DC, Puerto Rico, and the U.S. Virgin Islands.
- Law enforcement entity.
 - MFCUs investigate and prosecute their own criminal and civil cases.
 - Minnesota MFCU staffing includes:
 - 7 attorneys.
 - 17 investigators
 - Supervising Investigator (manager).
 - Lead Investigators.
 - Nurse Investigators.
 - Investigators.
 - 2 analysts.
 - 2 paralegals.
 - 4 legal support staff.

How Does A MFCU Operate?

- Partially funded by federal grant.
 - 75% of MFCU expenses funded through federal grant. Remaining 25% through State funds.
- Federal law sets specific performance standards for compliance with federal grant and federal law.
 - 42 CFR Part 1007.
 - Office of Inspector General frequently issues policy guidance to MFCUs on areas ranging from authority to prosecute to proposed plea agreements.



What Can a MFCU Do?

- Investigate and prosecute Medicaid provider fraud.
 - Original jurisdiction under State law. *See* Minn. Stat. § 256B.12
 - May also investigate and prosecute certain crimes arising out of same set of circumstances.
- Investigate and prosecute “patient abuse and neglect.”
 - Crimes against people living in Medicaid funded facilities, regardless of whether the victim abused, neglected, or exploited received insurance through Minnesota medical assistance program.
 - Generally covered by neglect or abuse of vulnerable adult statutes and financial exploitation statutes, but may include others.
 - AG’s office lacks original jurisdiction to prosecute these crimes, so the Minnesota MFCU requires referral from local county attorney.
- Assist other law enforcement and prosecutorial entities in the above cases.
 - Assisted federal law enforcement in cases brought by the USAO.
 - Will assist counties upon request.

What Can A MFCU Not Do?

- Investigations not covered under federal grant.
 - Recipient fraud, i.e., fraud in obtaining Medicaid benefits.
 - Fraud against other public programs that do not involve Medicaid funds.
 - Other criminal offenses that do not arise out of same set of circumstances as permissible activities.
 - Not permissible: investigate contraband (drugs, guns) found on site while executing a premises warrant.
 - Permissible: investigate laundering of money swindled from the Medicaid program.
- MFCUs are prohibited from involving themselves in actions of single state agencies (Minnesota DHS).
 - Cannot tell DHS to not suspend a particular provider's payments.
 - Cannot tell DHS to lift suspension or revoke administrative action.
 - Cannot tell DHS to take any administrative action against a provider.

What Does the MFCU Investigate?

Recent provider cases.

- Physical therapists.
- Acupuncturists.
- Chiropractors.
- Mental health therapists.
- Nurses.
- Clinical supervisors.
- Doctors, dentists, and other licensed professionals.
- Home health care provider agencies and individuals.
 - Home and community based (waivered) services, home care nursing, adult rehabilitative mental health services, personal care assistant services.
- Non-Emergency medical transportation companies and individuals.
- Substance abuse treatment providers.



MFCU Investigators

- **1 Supervising Investigator**
Performs people management of investigators and analysts, trains new hires, conducts pre-employment screening and 1st round of new applicant interviews for investigators, conducts trainings for investigators, leads outreach efforts with other organizations, assists with investigates complex fraud and abuse/neglect cases.
- **1 Investigative Auditor**
investigates complex fraud and abuse/neglect cases, reviews incoming referrals from DHS / MCO's, performs various statistical and grant-related tasks.
- **3 Lead Investigators**
investigates complex fraud and abuse/neglect cases and trains new hires.
- **2 Nurse Investigators**
leads investigations of abuse/neglect cases, assists with fraud cases, screens abuse/neglect referrals.
- **1 Lead Analyst**
conducts complex data analysis to assist investigators with larger investigations, assists with pre-employment screening and 1st round of new applicant interviews for analysts.
- **10 Investigators**
investigate billing fraud and abuse/neglect.
- **Investigative Staff Backgrounds:**
 - Banking / Financial.
 - Accounting.
 - Local / Federal Law Enforcement.
 - Corrections / Probation / Parole.
 - Nursing.
 - Health care investigations.
 - Private investigations.
 - Military.

MFCU Budget

- Annual budget set and approved by US Department of Health and Human Services' Office of Inspector General.
- Federal government pays 75% of costs of MFCU costs, while State pay for 25%.
- Each MFCU unit size based on the size of its State Medicaid Budget.
 - For instance, in 2023, California had a Medicaid budget of \$156.6 billion and a MFCU staff of 256, while South Dakota had a Medicaid budget of \$1.275 billion and a MFCU staff of 5.
- Minnesota MFCU size presently at 32. Was initially set at this size when State Medicaid Budget was \$13 billion.

Minnesota MFCU Staff Size

- Minnesota MFCU staff size has not increased at same rate as State Medicaid spending.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Minnesota MFCU Budget (in millions)	\$4	\$4.90	\$4.90	\$5.10	\$5.39
Minnesota State Medicaid Budget (in billions)	\$12.90	\$13.50	\$13.50	\$15.60	\$19.60
Minnesota MFCU Approved Staff Size	32	32	32	32	32
Minnesota MFCU Predicted Staff Size	30	31	31	34	41

Minnesota MFCU Staff Size

- As of Federal FY2024, states with similar Medicaid budgets often have larger staffs than Minnesota MFCU.

<u>State</u>	<u>Medicaid Budget (in billions)</u>	<u>Staff</u>
Indiana	\$17.30	59
Louisiana	\$17.40	64
Kentucky	\$18.50	31
Tennessee	\$18.60	60
Missouri	\$19	23
Massachusetts	\$20.30	44
Minnesota	\$20.80	32
Arizona	\$22	33
Michigan	\$22	35
Virginia	\$23.30	93
Washington	\$24.30	67

How Does the MFCU Get Its Cases?

- Minnesota Department of Human Services.
- Managed Care Organizations (UCare, Blue Cross/Blue Shield, Medica, and others).
- Local, state, or federal law enforcement.
- Other state agencies.
- Tips from the public.

MFCU Referrals

- Consistent increase in referrals over the last five federal fiscal years.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Minnesota MFCU Budget (millions)	\$4	\$5	\$5	\$5.10	\$5.40	\$5.90
Minnesota State Medicaid Budget (billions)	\$12.90	\$13.50	\$13.50	\$15.60	\$19.60	\$20.80
MFCU Referrals Received	144	202	212	190	219	218
MFCU Approved Staff Size	32	32	32	32	32	32

- Since October 1, 2025, MFCU has received over 200 referrals from DHS, MCOs, State agencies, law enforcement, and public tips – already exceeding what it received in any of the last five federal fiscal years.

Minnesota MFCU Results

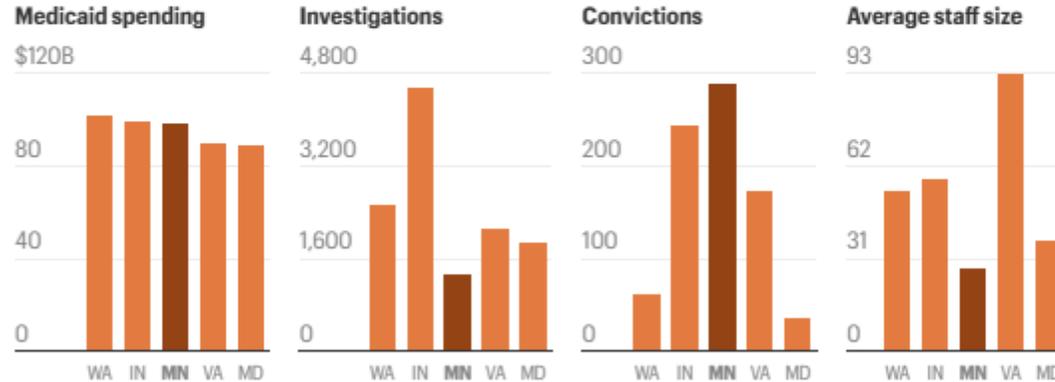
- Despite staff size limitations, Minnesota MFCU regularly outpaces peer states in number of fraud convictions.
- Department of Health and Human Services' Office of Inspector General noted that from 2020 – 2022, Minnesota had the most provider fraud convictions when compared with similarly sized states (with staff sizes between 22 and 38).
- In most recent reporting years (2023 and 2024), Minnesota MFCU outpaced other States with larger budgets and staff sizes in fraud convictions.

Minnesota MFCU Results

How Minnesota compares to other states on Medicaid fraud

Over the past six years, Minnesota's Medicaid spending is similar to totals in Washington, Indiana, Virginia and Maryland. Compared to those states, Minnesota's Medicaid Fraud Control Unit has fewer staff members but has similar or higher conviction totals.

MEDICAID FRAUD-RELATED TOTALS SINCE FY2019



Source: U.S. Department of Health and Human Services • Jim Foster, The Minnesota Star Tribune

Minnesota MFCU Results

And while there has been a lot of criticism about the state's handling of fraud, data from the U.S. Department of Health and Human Services shows that Minnesota's Medicaid Fraud Control Unit, based in the state Attorney General's Office, ranked sixth in investigations per total Medicaid expenditures, fifth in fraud indictments and eighth in fraud convictions in 2024.

Source: <https://www.startribune.com/ramstad-all-this-fraud-talk-has-turned-me-into-a-scrooge-at-christmas/601524945>

Every state shares annual data with the federal government showing Medicaid fraud investigations, indictments, convictions and recoveries, but experts say those figures don't convey how much Medicaid fraud occurs in a state.

Nationally, Minnesota has ranked fifth on average over the last six years in total Medicaid fraud convictions. But that data excludes cases the federal government prosecutes and ones that don't end in charges.

Source: <https://www.startribune.com/is-minnesotas-medicaid-fraud-scandal-an-outlier-experts-say-the-answer-is-complicated/601552181>

Questions

Nick Wanka, Minnesota MFCU Director