

Medicaid Fraud Report

July 2001

Psychiatrists: Florida

Attorney General Butterworth announced on July 26 that a civil judgment has been ordered by the United States District Court, Middle District of Florida, Orlando Division, against defendants Dr. **Jerome H. Feldman**, Jerome Feldman Community Mental Health Center, Inc., A Second Chance In Life, Inc., and Bertje Corporation for the total sum of \$ 46,082,456. Of this sum, \$ 29,425,754 is ordered as damages and civil penalties to the Medicaid Program and \$ 16,656,702 is ordered as damages and civil penalties to the Medicare Program.

This investigation of Dr. Feldman was conducted by investigators of the Florida Medicaid Fraud Control Unit's Orlando Bureau along with investigators from the Federal Bureau of Investigation and the Department of Health and Human Services. The investigation revealed that during the period between December 1994 and June of 1997, Dr. Feldman, a licensed psychiatrist, defrauded the Medicaid and Medicare programs by hiring and using unlicensed, unsupervised and unqualified non-mental health professionals to render group therapy to Medicaid and Medicare patients. Furthermore, Dr. Feldman falsely billed and reported that these services were personally rendered. In addition, Dr. Feldman recruited Medicaid and Medicare patients from assisted living facilities and nursing homes and transported them to his community mental health centers for social, recreational, or diversionary activities knowing that many of the patients were suicidal, homicidal, violent, and combative, and presented significant security risks. Patients were also found to be severely demented or had Alzheimer's disease and were not eligible for the services that Dr. Feldman was billing to the Medicaid and Medicare programs. To further this activity, Dr. Feldman falsely reported the patients' diagnosis as schizophrenia or major depression and not as dementia or Alzheimer's disease.

Dr. Feldman is currently a fugitive from justice, having failed to show for his scheduled court hearing on October 5, 1999, regarding this criminal investigation. Subsequent to Dr. Feldman's failure to appear, a warrant was issued for his arrest charging him with knowingly and willingly executing and attempting to execute a scheme to defraud the Medicaid and Medicare Programs.

For further information contact Anthony J. Dean, Jr., Orlando Bureau Chief (407) 245-0799.