



Written by [Bob Adelman](#) on August 6, 2011

Physician Sentenced to 20 Years for Medicare Fraud

Dr. de los Rios learned the Medicare scam from the owner of Metro Med, a medical clinic that specialized in HIV therapy. The owner, Damaris Oliva, who is serving his own seven-year sentence, learned the trade from three brothers — Carlos, Luis, and Jose Benitez — who owned 11 HIV clinics in the Miami-Dade area that specialized in HIV treatments and injections. The brothers billed Medicare \$119 million and were reimbursed \$84 million. To avoid prosecution, the brothers fled to the Dominican Republic and then to Cuba where, according to the FBI, they are in jail on immigration violations.



The scam was simple, and consisted of [three coordinated strategies](#): phantom billing (billing for procedures that either never performed or were unnecessary), patient billing (a patient receives a kickback for allowing use of his Medicare card and then testifying that the procedure was performed), and upcoding (where bills are inflated by using a billing code that maximizes reimbursement from Medicare). The good doctor signed off on treatments that were never performed, ordered tests that were unnecessary, and ordered injections of expensive drugs — often costing in the hundreds of dollars for each injection — for which he was paid \$3,000 a week by Oliva. De los Rios also worked for several other clinics, [allowing ultimately 100s of bills](#) to be submitted to Medicare for reimbursement that were fraudulent. The prosecution alleged that in two-and-a-half years de los Rios pocketed over \$587,000 from the scam. His sentence included the demand for repayment, but prosecutors said, “We still haven’t found a dime of that money.”

As noted in the [press release](#) from the Department of Justice in April, the “Medicare Fraud Strike Force operations in nine locations have charged more than 1,000 defendants and organizations that collectively have billed the Medicare program for more than \$2.3 billion.” Much of that, according to the *Miami Herald*, was concentrated in the Miami-Dade area of South Florida, which submitted \$2.2 billion in HIV-drug infusion bills to Medicare — 22 times more than the total HIV claims submitted to Medicare by healthcare clinics in the rest of the country combined.

Part of the problem is that when Medicare was set up, payment was based on the “honor system” and claims were paid automatically because the goal was to pay claims “[quickly and smoothly](#).” This makes the program a perfect target for drug dealers who are looking at Medicare fraud as the new crime of choice. There is, first of all, [more money in Medicare](#) — it will spend \$572 billion in 2011 — and the chances of getting caught are much lower. And if they are caught, defendants, until recently, were treated more like a white collar criminal than a drug dealer.

All of this has not escaped the attention of Rep. Darrell Issa, the Chairman of the House Oversight and Government Reform Committee, [who has promised](#) to uncover government waste and fraud with a vengeance. In January, Issa said, “We can save \$125 billion by simply not giving out money to Medicare



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recipients that don't exist for procedures that didn't happen. These are real dollars. Ten percent of the deficit goes out in wasted money, money that doesn't get one person health care in Medicare."

Politicfact.com challenged that number, but then discovered that the \$125 billion was correct, if one included improper payments not only in Medicare, but in food stamps, unemployment insurance, Social Security, and the school lunch program, and admitted, "There's no question improper payments in Medicare are a very significant problem."

Michael Cannon, writing for [National Review Online](#), said that the real reason for the high levels of fraud in Medicare and other entitlement programs is that "It's other people's money, so nobody cares." He noted briefly some of the other scams and frauds that infest the government program, including

In Brooklyn, a dentist billed taxpayers for nearly 1,000 procedures in a single day. A Houston doctor with a criminal record took her Medicare billings from zero to \$11.6 million in one year.... A high school dropout, armed with only a laptop computer, submitted more than 140,000 bogus Medicare claims, collecting \$105 million.... The giant hospital chain Columbia/HCA paid \$1.7 billion in fines and pled guilty to more than a dozen felonies related to bribing doctors to help it tap Medicare funds and exaggerating the amount of care delivered to Medicare patients.... And a study of ten states uncovered \$27 million in Medicare payments to dead patients.

When the ["Super Congress"](#) meets, one of the very first places to look to shrink government spending should be Medicare. Even if Issa is only half right, \$60 billion in savings is a good start.



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