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The DOJ continues to come for healthcare fraud: What ASCs, physicians need to know

- Health Care Fraud Unit, the Tax Section, and the Market, Government and Consumer Fraud Unit have been placed under the National Fraud Enforcement Division on April 7.
- National Fraud Detection Center, is a data-driven infrastructure.
- This covers tax, procurement, grants and relief programs, but healthcare fraud is the most prominent.
- Civil and criminal enforcement will be deliberately integrated.
- OIG inquiries will now be treated as potential precursors to criminal enforcement, not merely regulatory.

By: **Patsy Newitt** 4 hours ago

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Acting U.S. Attorney General Todd Blanche [launched](#) the National Fraud Enforcement Division on April 7, consolidating the Justice Department's fragmented fraud units into a single, centralized division with an aggressive mandate: protect more than \$1 trillion in taxpayer-funded program spending from what the DOJ is now calling a national "crisis."

The move represents a fundamental restructuring of how the DOJ investigates and prosecutes fraud, according to an [analysis](#) from law firm White Collar. It is more centralized, more coordinated and operates on a timeline measured in days and weeks, not years.

What the division does

The Health Care Fraud Unit, the Tax Section, and the Market, Government and Consumer Fraud Unit have been placed under the new division's operational control immediately. Within 30 days, the DOJ's Office of Legal Policy must recommend which additional criminal units should be folded in. Within 21 days, every U.S. Attorney's Office must designate a prosecutor accountable to the division's priorities. Within 90 days, personnel realignment must be complete.

The FBI has been directed to increase the number of agents, analysts, and forensic accountants dedicated to fraud investigations. The memo also established a National Fraud Detection Center, which is a data-driven infrastructure designed to surface fraud before investigators have to go looking for it.

"The American people deserve a government that stewards their money wisely," Mr. Blanche wrote in the memo. "Fraudsters who target taxpayer dollars do not just steal from taxpayers, they also prevent critical benefits from reaching those in need."

Healthcare is the focus

The division's scope is broad, covering tax, procurement, grants and relief programs. But healthcare fraud is the most prominent concern, according to the White Collar analysis.

The DOJ has 8,000 fraud investigations underway, which Mr. Blanche described as a fraction of what's actually happening. On April 2, eight people were arrested in "Operation Never Say Die," a scheme in which \$50 million meant for terminally ill hospice patients was allegedly diverted to fraudsters who recruited healthy patients to pose as Medicare beneficiaries. On April 7, the same day Mr. Blanche signed the memo, Texas Attorney General Ken Paxton launched investigations into dozens of Medicaid providers.

What it means for healthcare organizations

The practical implications are significant. According to an [analysis](#) from law firm Womble Bond Dickinson, the consolidation of charging decisions under a single division means less variability across districts. The era of markedly different enforcement approaches from one U.S. Attorney's Office to another may be ending.

Civil and criminal enforcement are also being deliberately integrated. According to the law firm, the shift that will be felt most acutely by organizations already navigating False Claims Act exposure.

Perhaps most urgently, compliance reviews and OIG inquiries should now be treated as potential precursors to criminal enforcement, not merely regulatory corrective action. Because matters can be escalated quickly through centralized referral channels, organizations may have significantly less time to conduct internal investigations before DOJ engagement begins.

For any organization touching Medicare, Medicaid, grants, tax credits or federal procurement, the window for conducting internal risk assessments and tightening compliance infrastructure is narrowing.

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