

**MEDICAID FRAUD**  
**AND**  
**THE RECIPIENT AUDIT UNIT**

Allegations of recipient fraud involving Medicaid, FAMIS and the State & Local Hospitalization (SLH) Programs are investigated by the Recipient Audit Unit (RAU). Referrals are made by local social service departments and other agencies, employers, health care professionals and individuals. Recipient fraud investigations are conducted independently and jointly with the Social Security Administration, the Virginia State Police, FBI, and local departments of social services. The RAU is authorized under state and federal laws to investigate both fraud and non-fraud allegations and to recover identified Medicaid overpayments.

**Recipient fraud can include:**

- The deliberate failure to report income or to disclose resources
- Unreported change in household member composition
- Uncompensated asset transfer
- Medicaid card sharing, prescription fraud and drug diversion

**Non-Fraud examples are:**

- Eligibility errors due to recipient misunderstanding
- When agency errors are made
- When Medicaid covered services continue during the appeal process and the agency's cancellation action is upheld

When the RAU investigation confirms that an individual received Medicaid services fraudulently the claims paid on the recipient's behalf are determined and the overpayment amount is identified. Recipient fraud cases can be prosecuted by the local Commonwealth Attorney's Office or in Federal court when joint investigations are involved. When a Medicaid paid claims loss is the result of non-fraud circumstances, the RAU refers the case to the DMAS Fiscal Division for administrative recovery.

The Health Insurance Portability and Accountability Act (HIPAA) regulations do not allow the release of Protected Health Information (PHI). All investigative results of Recipient Audit Unit referrals are confidential and are not subject to public release. The Recipient Audit Unit will notify the recipient of the final investigative results.

**To report suspected Medicaid Recipient Fraud contact us at:**

**[RecipientFraud@DMAS.virginia.gov](mailto:RecipientFraud@DMAS.virginia.gov)**