

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General

January 20, 2010



DENTAL MANAGEMENT COMPANY PAYS \$24 MILLION TO RESOLVE
FRAUD ALLEGATIONS

Inspector General Charles J. Willoughby announced today that the District of Columbia has joined 22 states and the federal government to settle allegations against FORBA Holdings, LLC, a dental management company that provided management services to Small Smiles dental clinics nationwide. Under the agreement, FORBA agreed to pay the participating states and the United States \$24 million, plus interest, to resolve allegations that it caused bills to be submitted to the states' and D.C.'s Medicaid programs for medically unnecessary dental services performed on children insured by Medicaid. Medicaid is funded jointly by the federal and state governments.

The District of Columbia alleged that FORBA was liable for causing the submission of claims for reimbursement for a wide range of dental services provided to low-income children that were either medically unnecessary or performed in a manner that failed to meet professionally-recognized standards of care. These services included performing pulpotomies (root canals) and extractions, placing crowns, administering anesthesia (including nitrous oxide), providing fillings and/or sealants, and inappropriately using behavior management techniques to restrain child patients.

To resolve these allegations, FORBA will pay \$24 million, plus interest. The District of Columbia's portion of the recovery is \$474,360. In addition, as part of the settlement, FORBA has agreed to enter into an expansive five-year Corporate Integrity Agreement with the Office of Inspector General of the Department of Health and Human Services. The agreement provides for procedures and reviews to be put in place to avoid and promptly detect conduct similar to that which gave rise to this matter. Specifically, FORBA must engage external reviewers to monitor its quality of care and reimbursement. In addition, the Chief Dental Officer must develop and implement policies and procedures to ensure that the Small Smiles clinics provide services consistent with professionally recognized standards of care.

The investigation was initiated by three whistleblower lawsuits filed under the *qui tam* provisions of the False Claims Act. These actions are pending in the United States

District Court for the District of Maryland, the Western District of Virginia, and the District of South Carolina.

A team representing the National Association of Medicaid Fraud Control Units participated in the investigation and conducted settlement negotiations with FORBA on behalf of the settling states. Team members included representatives from Ohio and South Carolina. Inspector General Willoughby commended the work performed by Deputy Director Jacqueline Schesnoł, Supervisory Criminal Investigator Jacqueline Franklin, and Auditor Yolanda Mobuary by the D.C. Medicaid Fraud Control Unit.