



SUBSCRIBER EXCLUSIVE

CASH NOT CARE: A MILWAUKEE JOURNAL SENTINEL INVESTIGATION

Black babies in Milwaukee are dying at a staggering rate. Taxpayers are spending



Hi, Aid+Murphy

Let Wisconsin continue to have one of the nation's worst records for Black infant mortality, a troubling rate that has shown little improvement over the years despite the rapid growth of the prenatal care industry.

Among the newspaper's findings:

- Some Milwaukee-area prenatal care coordination companies, commonly known as PNCCs, are billing Medicaid between \$1,000 and \$5,000 per client. That's compared with the Milwaukee Health Department, for example, which bills an average of \$541 per prenatal care client, according to a confidential Department of Health Services memo obtained by the Journal Sentinel. The memo called the price differences "suspicious disparities."
- The industry's meteoric growth in Wisconsin has created instant fortunes. One PNCC owner brought in more than \$2.2 million in revenue last year with nearly half going toward her salary. Several company owners could be seen showing off on Facebook, posting pictures of flashy vacations, pricey handbags and Gucci clothing. No experience is necessary to open a prenatal care business and collect taxpayer money.
- A number of the fastest growing companies have given away cash, clothing and baby supplies to entice potential clients into giving them their Medicaid numbers and signing up for services. State regulators and attorneys are questioning the legality of such giveaways. Investigators warn that some of the agencies may use the giveaways to get Medicaid numbers and bill for services that are never provided, documents show.
- There have been numerous red flags, including state auditors finding repeated instances of suspected fraud over the last decade, but few safeguards have been added. Roe is the only prenatal care coordination company owner to have been charged and convicted in recent years, officials say.
- In November, following months of inquiries by the Journal Sentinel, the state suspended the flow of Medicaid payments to four of the largest prenatal care coordination companies in Wisconsin — which brought in nearly \$6 million in the first 10 months of 2021 — and referred them to law enforcement for possible criminal charges related to fraud.

Karen Timberlake, the state's interim health services secretary, defended the 30-year-old program but noted that her department referred the four companies to the state Department of Justice for criminal investigation.

"When we have credible allegations of fraud, we absolutely investigate those," Timberlake said in an interview with the Journal Sentinel.

with 2020.

The totals include Medicaid funding for prenatal care coordination as well as child care coordination services.

Chart: Erin Caughey • Source: Wisconsin Department of Health Services • Get the data • Created with Datawrapper

Growing program ‘tainted’ by fraud

Despite growing fraud concerns, taxpayer spending on prenatal care coordination companies has skyrocketed in Wisconsin.

“We’ll see what happens,” she said before hanging up on Journal Sentinel reporters.

Direct Care owner Detra Ferguson declined to comment when contacted after the flow of Medicaid funds was suspended. A Direct Care staffer referred reporters to Ferguson's attorney, Kristen Nelson, of Gimbel, Reilly, Guerin & Brown, a prominent Milwaukee law firm.

LaKia Jackson, the owner of We Care in West Allis, also referred reporters to Nelson, who declined to comment about Ferguson and Jackson.

Precious Cruse, owner of Caring Through Love, could not be reached for comment after the records were seized. The door to her office on Fond du Lac Avenue was locked in recent weeks, and repeated calls from the Journal Sentinel were not answered.

The office of We Care Services, top, on West National Avenue in West Allis and the building for Direct Care Prenatal on West Hampton Avenue in Milwaukee.

ANGELA PETERSON AND EBONY COX / MILWAUKEE JOURNAL SENTINEL

No experience necessary

The goal of the prenatal care coordination program is to improve birth outcomes and help low-income pregnant women and mothers of young children gain access to medical, educational and social services.

Prenatal care coordination companies are supposed to provide a wide range of services, including risk assessments, care plans, and health and nutrition counseling.

Help is especially needed in Milwaukee, where Black babies are three times more likely to die than white babies. The disparity is even worse in the city’s poverty-stricken neighborhoods, including those of Milwaukee’s most distressed 53206 ZIP code.

Black babies are dying. It's definitely shameful that we continue to have this

Wisconsin has seen a roughly 400% increase in new applications to open prenatal care coordination companies, jumping from 31 applications in 2019 to 158 last year, state records show.

In all, about 110 prenatal care coordination companies and agencies in Wisconsin were eligible to receive Medicaid funds as of December, records show.

LaKia Jackson, who launched We Care Services in March 2020, said she is sure some are drawn by the prospect of a big paycheck.

"I think people are trying to get into it for money," Jackson said in an October interview, before her company's Medicaid funding was suspended.

Records show her company grossed about \$2.2 million during the first 10 months of 2021. About half of that revenue went to her as salary, Jackson told the Journal Sentinel in the interview.

Barnes, a 29-year-old certified nursing assistant, created Here For You in late 2020 and began enrolling clients last year. Like many prenatal care coordination companies, Here For You also offers child care coordination services, which can bill Medicaid to provide support to the families in Milwaukee County until children are 7 years old.

Several employees of Here For You Prenatal Coordination Services gather in the company's former office on North Richards Street in October. The following month, the state cut off Medicaid funding to the group.

EBONY COX/USA TODAY NETWORK

"I didn't know anything about care coordination," Barnes said in a September interview, adding that she saw a Facebook post about it and "ended up looking into it on a website."

Virtually anyone is eligible to operate a prenatal care coordination company as long as they pass a background check and have a qualified professional, such as a nurse, on the payroll.

The Journal Sentinel reviewed state and federal court documents of a sample of about 70 owners of Milwaukee-area prenatal care coordination companies operating last year and found that more than half had serious financial issues in their backgrounds. The issues included bankruptcies, evictions and liens by the state Department of Children and Families.

building on North Richards Street.

However, her recent success could be seen on her Facebook page, where Barnes posted pictures of Gucci products while on a trip to the East Coast, visits to Las Vegas and children wearing designer clothing or posing with stacks of cash.

She also boasted on Facebook about celebrating Sweetest Day in Aspen, Colorado, a vacation that she said included a stay in a presidential suite and luxury gifts like Louis Vuitton clothes and a diamond Rolex watch: "Iced him out wit a 2-tone bussed down rollie Diamond all over that bih," Barnes wrote on Facebook. "Versace just for him to Lounge in, Loui V for his attire."

Screenshots from the Facebook pages of Markita Barnes, owner of Here For You Prenatal Coordination Services, top, and Precious Cruse, owner of Caring Through Love, bottom. The state suspended Medicaid funding to Here For You, Caring Through Love, and other Milwaukee-area prenatal care coordination companies in November.

FACEBOOK

Cruse, owner of Caring Through Love, a prenatal care coordination company that grossed more than \$650,000 in its first eight months of operation last year, also posted on Facebook about her financial success.

For Sweetest Day last October, she shared videos and photographs on Facebook showing stacks of cash and Gucci shopping bags displayed in her Sybaris hotel room.

"Sybaris Tonight Wit 40K Cash On That Dump Truck You Want & A First Class Trip To Puerto Rico For The Weekend," Cruse posted.

Cruse brushed off critics of prenatal care coordination company owners who brag on Facebook about their newfound riches.

"We own a business, and the money that we make off of the business, we can do whatever we want with — it's our money," Cruse said in a November interview with the Journal Sentinel. "If someone is mad because Markita (Barnes) took a Gucci shopping spree, I mean, that's her money. She can do what she wants to do with it."

Timberlake said her department does not focus on how company owners are spending their profits.

College of Health Sciences.

"That's a red flag for potential fraud," said Zabawa, who also owns the Center for Health and Wellness Law, a Dane County law firm specializing in health care issues.

More aggressive enforcement of Medicaid fraud laws are needed, she added.

A 2018 state audit of Life Enhancement Supportive Services Community found that the now-defunct prenatal care coordination company received more than \$227,000 in Medicaid overpayments due to improper billing.

The company's owner, Tonyetta Ross, blamed her competitors, whom she suspects reported her company to regulators.

"It's one of those dog-eat-dog kind of competitions. If you can cause trouble for one provider, that pushes their clients out," Ross said in an interview in her southside home.

Ross was paid \$241,600 in 2017 even though her prenatal care coordination company brought in \$570,000 that year — meaning the agency was spending 42% of its revenue on her salary, according to the nonprofit's tax records.

Ross denied wrongdoing.

"I did OK for myself," she said. "So I don't have any reason to steal anything from anybody."

It's unclear from records how much money she paid back to the state.

Records show a prenatal care coordination company audit has not been completed in Wisconsin since 2019, in part because of a state Supreme Court ruling that limited the state's ability to conduct the reviews. The state is revising its audit procedure.

"Congratulations to Here For You, PNCC Services," the January 2021 post read. "Thank you for allowing us to help you get open."

United Healthcare wrote that in May it had submitted two fraud tips to state officials about "PNCC agencies enrolling members without their consent or knowledge and multiple PNCC agencies billing for the same member and timeframe."

The confidential health services department memo states that from January 1, 2018, to August of last year there were more than 11,100 cases of "consecutive billing" — that is, two companies billing Medicaid for the same client.

The department found 77 prenatal care coordination companies with at least one case of consecutive billing, including 27 that "have over 100 instances of consecutive billing," the memo said.

In her new role as a consultant for prenatal care coordination company owners, Roe said she urges them to be wary of authorities and to keep detailed records.

"I tell them the state will not play with you. They will put you in a situation where you're fighting for your freedom," Roe said. "You do not want to be out here billing for services that you do not provide."

A popular recruitment tool used by several Milwaukee prenatal care coordination companies is to hold "community baby showers," where pregnant women may receive gifts or cash after they show their Medicaid cards. Some of the companies offer additional gifts for referrals.

"The old Tupperware party model, but it's for defrauding Medicaid," said Michael Arrigo, a California-based Medicaid fraud expert.

In its June letter, United Healthcare urged the state to end the practice, saying that prenatal care coordination companies should refer the women to other agencies to get gifts and supplies instead of using them as a recruitment incentive.

Baize, the inspector general, cited "offering unlawful incentives to Medicaid members" as a reason for suspending Medicaid payments to the four prenatal care coordination agencies in November.

least \$3.7 million since 2019.

The nonprofit on West Vliet Street brought in about \$1 million during the first 10 months of 2021 alone. Its 2016 revenue was only \$17,000, according to tax filings.

Fortunate Futures' tax filings have repeatedly listed company founder Demaryl Howard as its only executive and board member — a point of concern to some who monitor the nonprofit industry.

"What this means is that the public is relying on the judgment, competence and good faith of one person to essentially govern himself," said Laurie Styron, executive director of CharityWatch, a Chicago-based nonprofit watchdog.

State auditors in 2017 and 2018 demanded Fortunate Futures pay back nearly \$40,000 in Medicaid money due to errors they found. The company repaid the money.

The financial issues cited by auditors were "accounting errors" that were fixed, then-Fortunate Futures attorney Brian Hamill told the Journal Sentinel in a 2020 letter.

"Fortunate Futures has been trusted enough to receive more (Medicaid) money continually each year because of its growing need," Hamill wrote.

Several women told the Journal Sentinel that in 2019 a Fortunate Futures care coordinator, Allie Jackson, took thousands of dollars they gave her after she promised to find them decent housing.

"It was a lot of stress and depression she put me through," said Santierra Lee, a former Fortunate Futures client.

"She was my coordinator, and I never received anything from her," Lee wrote in an email.

Lee said she's still owed \$1,900 after Jackson promised to find her a house to rent but failed to do so.



© Copyright Gannett 2022