

Lake Zurich man, who was a healthcare company CEO, sentenced to year in prison for defrauding Medicare of \$1.2 million

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File Photo – Village of Lake Zurich | Photo: Village of Lake Zurich (Facebook)

A Lake Zurich resident, who was the CEO of a healthcare company, has been sentenced to a year in federal prison for

defrauding Medicare out of \$1.2 million in a scheme, prosecutors said.

Henry Smilie, 61, of Lake Zurich, pleaded guilty to federal health care fraud.

Federal prosecutors said Smilie was the owner and chief executive officer (CEO) of Chicago-based Home Physician Services LLC.

The company arranged in-home health care services for patients who were purportedly elderly and homebound, prosecutors said.

Smilie submitted around \$1.97 million in false claims from 2012 to 2014, which caused Medicare to pay the company at least \$1.2 million.

The false claims were of "care plan oversight" services that were either not provided or involved treatment that was "far less intricate than portrayed in the claims submitted by Smilie's company to Medicare," prosecutors said.

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According to an affidavit, some employees claimed to have reported the company's fraudulent practices to Smilie before

they were contacted by federal agents.

A former employee told agents that Smilie instructed him on how to complete the care plan oversight paperwork so the company can bill the maximum amount to Medicare even though the treatment was not fully performed.

Another former employee said the company would bill \$1,000 to Medicare for each routine swab of a patient, the affidavit said.

Smilie told his employees to meet the 30-minute minimum duration for purported treatment in order to trigger maximum payment by Medicare, the affidavit said, adding that he told employees to “make it up” if they could not meet the duration.

Smilie was arrested and charged in August 2015 and federal agents executed search warrants at Smilie’s Chicago and Schaumburg offices.

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The Medicare fraud charge carries a maximum penalty of 10 years in federal prison, a \$250,000 fine and mandatory restitution.

U.S. District Judge Jorge Alonso sentenced Smilie on Tuesday to one year and a day in federal prison.

Smilie was also ordered to retribute the \$1.2 million he defrauded from Medicare.

"Smilie's crime is a significant one," Assistant U.S. Attorney Kartik Raman said.

"In a world that has limited funds to pay for health care, and where budgets are ever-tightening, Medicare paid Smilie and his company for fraudulent claims that could have been used to pay for necessary medical services elsewhere," Raman added.