

FILED
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VJD

THOMAS G. BRITTON
CLERK, U.S. DISTRICT COURT

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

1:24-cr-00337

Judge John Robert Blakey

Magistrate Judge M. David Weisman

RANDOM/Cat. 3

UNITED STATES OF AMERICA)
)
 v.)
)
 JUDY STRZELECKI)

Violation: Title 18, United
States Code, Section 1347

COUNT ONE

The SPECIAL JANUARY 2023 GRAND JURY charges:

1. At times material to this Indictment:

a. A Woman’s Place, LLC (“AWP”), was a durable medical equipment (“DME”) provider and retail shop with locations in Downers Grove, Illinois. AWP was enrolled as a provider with Blue Cross and Blue Shield of Illinois and other health care benefit programs.

b. Defendant JUDY STRZELECKI was the office manager at AWP. STRZELECKI assisted with billing health care benefit programs for DME that AWP provided to patients.

c. Individual A was the owner of AWP.

d. DME was a category of health care services that includes items ordered or prescribed by a physician for patients with various medical conditions. These items can include breast prostheses, compression garments, wigs, and mastectomy bras, among other items. STRZELECKI and Individual A provided DME

to various customers at AWP, including cancer survivors and women with chronic health conditions.

e. Blue Cross and Blue Shield of Illinois and other private insurance companies offered and administered health care benefit programs within the meaning of Title 18, United States Code, Section 24(b), including employer-sponsored plans.

f. To submit claims for payment to health care benefit programs, providers used codes developed by the American Medical Association (“AMA”) to identify DME provided to patients. The codes were from the AMA’s Physicians Current Procedural Terminology (“CPT”) system, which was published in the AMA Current Procedural Terminology Manual (“CPT Manual”). The health care benefit programs used CPT codes to determine what, if any, amount to pay to the provider as reimbursement for DME.

i. CPT Code L8035 was for a post-mastectomy custom breast prosthesis that was molded to a particular patient’s body. This prosthesis was specific to either the right or left breast. Billing for custom breast prostheses generally resulted in a higher reimbursement from health care benefit programs than billing for non-custom prostheses.

ii. CPT Code L8030 was for a non-custom breast prosthesis, which was not molded to a particular patient’s body. This prosthesis was specific to either the right or left breast.

iii. CPT Code L8000 was for a mastectomy bra designed to be used with a breast prosthesis. This kind of bra has a pocket in which the breast prosthesis can be inserted.

iv. CPT Codes A6530, A6531, A6532, A6540, and A6541 were for compression stockings of varying lengths and compression strengths, which were measured in millimeters of mercury. Billing for higher compression strength garments generally resulted in a higher reimbursement from health care benefit programs than billing for lower compression strength garments. For example, A6541 and A6540 were both for waist-length stockings, but A6541 had a compression strength of 40-50 mmHg (which was reimbursed at a higher rate), while A6540 had a lower compression strength of 30-40 mmHg (which was reimbursed at a lower rate). Billing for larger garments, such as waist-length stockings, generally resulted in a higher reimbursement from health care benefit programs than billing for smaller garments, such as below-knee stockings. For example, A6541 and A6532 both had a compression strength of 40-50 mmHg, but A6541 was for waist-length stockings (which were reimbursed at a higher rate), and A6532 was for below-knee stockings (which were reimbursed at a lower rate).

v. CPT Code A9282 was for a wig.

g. In addition to CPT Codes, health care benefit programs also used diagnosis codes to determine whether the service was covered by the plan and reimbursable to the provider. Diagnosis codes typically were from the International

Classification of Diseases, Tenth Revision (ICD-10), a system endorsed by the AMA and used by physicians to classify and code diagnoses, symptoms, and procedures for claims processing. ICD code C50919 was for breast cancer.

h. Providers were required to submit certain claim information to health care benefit programs, including Blue Cross and Blue Shield of Illinois, for reimbursement for covered DME provided to patients. Required claim information included the beneficiary's name; his/her insurance number; his/her date of birth; the DME provided; the diagnosis; the name and National Provider Identifier of the entity providing the DME; and the charge for each DME item provided.

i. The health care benefit programs paid for DME that was covered by a patient's insurance policy and for which a representation had been made that the DME was actually provided to the patient and was medically necessary.

2. Beginning in or around May 2015, and continuing through in or around October 2020, at Downers Grove, in the Northern District of Illinois, Eastern Division, and elsewhere,

JUDY STRZELECKI,

defendant herein, along with Individual A and others, participated in a scheme to defraud a health care benefit program, namely Blue Cross and Blue Shield of Illinois and others, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of a health care benefit program, in connection with the delivery of and

payment for health care benefits and services, which scheme is further described below.

3. It was part of the scheme that STRZELECKI and others knowingly submitted, and caused to be submitted, fraudulent claims to health care benefit programs. The claims fraudulently sought reimbursement for DME that was not provided and for DME that was not medically necessary, including but not limited to breast prostheses, compression garments, and wigs.

4. It was further part of the scheme that, in order to claim a greater reimbursement amount from health care benefit programs, STRZELECKI and others fraudulently billed for more expensive DME products than were provided.

5. It was further part of the scheme that STRZELECKI and others knowingly submitted and caused to be submitted fraudulent claims to health care benefit programs for DME, including breast prostheses, compression garments, and wigs, that were not medically necessary, including instances when the patient whose insurance was billed did not have a prescription for the DME product as required. At times, to fraudulently substantiate the need for the DME, STRZELECKI and others caused the claims to contain false diagnosis codes for diagnoses that patients did not actually have.

6. It was further part of the scheme that STRZELECKI and others fraudulently obtained, and caused AWP to obtain, at least \$1,800,000 in payments from health care benefit programs for DME that was not provided as billed.

7. It was further part of the scheme that STRZELECKI and others misrepresented, concealed, and hid, and caused to be misrepresented, concealed, and hidden, the acts done in furtherance of the scheme and the purposes of those acts.

8. On or about July 19, 2019, in the Northern District of Illinois, Eastern Division, and elsewhere,

JUDY STRZELECKI,

defendant herein, did knowingly and willfully execute and attempt to execute the above-described scheme by submitting and causing to be submitted a claim to a health care benefit program, namely Blue Cross and Blue Shield of Illinois, for breast prostheses, billed using CPT code L8035, purportedly provided to patient P.P. on July 12, 2019, that were not actually provided as billed;

In violation of Title 18, United States Code, Section 1347.

COUNT TWO

The SPECIAL JANUARY 2023 GRAND JURY further charges:

1. Paragraphs 1 through 7 of Count One are incorporated here.
2. On or about January 7, 2020, in the Northern District of Illinois, Eastern

Division, and elsewhere,

JUDY STRZELECKI,

defendant herein, did knowingly and willfully execute and attempt to execute the above-described scheme by submitting and causing to be submitted a claim to a health care benefit program, namely Blue Cross and Blue Shield of Illinois, for breast prostheses, billed using CPT code L8035, purportedly provided to patient P.P. on October 2, 2019 and November 11, 2019, that were not actually provided as billed;

In violation of Title 18, United States Code, Section 1347.

COUNT THREE

The SPECIAL JANUARY 2023 GRAND JURY further charges:

1. Paragraphs 1 through 7 of Count One are incorporated here.
2. On or about January 21, 2020, in the Northern District of Illinois,

Eastern Division, and elsewhere,

JUDY STRZELECKI,

defendant herein, did knowingly and willfully execute and attempt to execute the above-described scheme by submitting and causing to be submitted a claim to a health care benefit program, namely Blue Cross and Blue Shield of Illinois, for breast prostheses, billed using CPT code L8035, purportedly provided to patient P.P. on May 6 and May 20, 2019, that were not actually provided as billed;

In violation of Title 18, United States Code, Section 1347.

COUNT FOUR

The SPECIAL JANUARY 2023 GRAND JURY further charges:

1. Paragraphs 1 through 7 of Count One are incorporated here.
2. On or about August 13, 2020, in the Northern District of Illinois, Eastern

Division, and elsewhere,

JUDY STRZELECKI,

defendant herein, did knowingly and willfully execute and attempt to execute the above-described scheme by submitting and causing to be submitted a claim to a health care benefit program, namely Blue Cross and Blue Shield of Illinois, for breast prostheses, billed using CPT code L8035, purportedly provided to patient P.P. on May 5 and August 11, 2020, that were not actually provided as billed;

In violation of Title 18, United States Code, Section 1347.

COUNT FIVE

The SPECIAL JANUARY 2023 GRAND JURY further charges:

1. Paragraphs 1 through 7 of Count One are incorporated here.
2. On or about September 12, 2020, in the Northern District of Illinois,

Eastern Division, and elsewhere,

JUDY STRZELECKI,

defendant herein, did knowingly and willfully execute and attempt to execute the above-described scheme by submitting and causing to be submitted a claim to a health care benefit program, namely Blue Cross and Blue Shield of Illinois, for breast prostheses, billed using CPT code L8035, purportedly provided to patient P.P. on August 20, 2020, that were not actually provided as billed;

In violation of Title 18, United States Code, Section 1347.

COUNT SIX

The SPECIAL JANUARY 2023 GRAND JURY further charges:

1. Paragraphs 1 through 7 of Count One are incorporated here.
2. On or about September 14, 2020, in the Northern District of Illinois,

Eastern Division, and elsewhere,

JUDY STRZELECKI,

defendant herein, did knowingly and willfully execute and attempt to execute the above-described scheme by submitting and causing to be submitted a claim to a health care benefit program, namely Blue Cross and Blue Shield of Illinois, for breast prostheses, billed using CPT code L8035, purportedly provided to patient P.P. on September 1 and 5, 2020, that were not actually provided as billed;

In violation of Title 18, United States Code, Section 1347.

COUNT SEVEN

The SPECIAL JANUARY 2023 GRAND JURY further charges:

1. Paragraphs 1 through 7 of Count One are incorporated here.
2. On or about December 13, 2019, in the Northern District of Illinois,

Eastern Division, and elsewhere,

JUDY STRZELECKI,

defendant herein, did knowingly and willfully execute and attempt to execute the above-described scheme by submitting and causing to be submitted a claim to a health care benefit program, namely Blue Cross and Blue Shield of Illinois, for wigs, billed using CPT code A9282 and ICD code C50919, purportedly provided to patient D.K. on September 25, October 25, and November 25, 2019, that were not actually provided as billed;

In violation of Title 18, United States Code, Section 1347.

A TRUE BILL:

FOREPERSON

Signed by Michelle Petersen, on behalf of the
ACTING UNITED STATES ATTORNEY