



# ATTORNEY GENERAL OF WASHINGTON

Medicaid Fraud Control Unit  
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## FINAL REPORT

Date: August 21, 2012

Case Number: 10-07-88B

Matter Number: 10480398

Case Name: Grudzien, Zbigniew MD (Hope Medical Holistic Clinic)

Investigator: Lewin

Offenses (s): Theft, 1<sup>st</sup> degree (RCW 9A.56.030(1)(a) and (9A.56.020(1)(a)),  
Medicaid False Statement (RCW 74.09.230(1) and (3))

Suspect (s): Grudzien, Zbigniew MD

Victim (s): Various

Complainant(s): Referral received from HRSA following audit

Location of Occurrence: Vancouver, WA

Date/Time of Occurrence: Audit period: February 5, 2007 – February 4, 2010

Case Summary: MFCU received a referral from DSHS/HRSA based on audit findings of: (1) 131 instances of Dr. Grudzien upcoding E/M visits; (2) 24 instances where chart records contained insufficient documentation to support the service billed; (3) 23 instances of unbundling the infusion code procedure; and (4) 104 instances where Health Care Assistants (HCA) performed duties that were not within the scope of practice for an HCA. Additional administrative findings are documented in the audit report. A decision was made early on in the investigation within the MFCU that the out-of-scope practice by HCAs would be an issue for DOH to address.

Dr. Grudzien served mostly Eastern European clients, for whom, culturally, infusion of vitamins and minerals is quite common. Complaints were received at DSHS that Dr. Grudzien was causing his patients, including Medicaid patients, to purchase expensive vitamin and mineral mixtures for infusion; that he was infusing the mixture into patients without any lab results showing mineral or vitamin deficiencies (therefore, medical necessity

for the procedure was never established); and that he threatened to quit seeing patients who patronized the local pharmacy where a Russian-speaking pharmacist questioned his treatments. It was Dr. Grudzien's practice to bill Medicaid for the infusion of the vitamins/minerals but not for the substance itself; the DSHS audit did not find that that practice violated Medicaid billing regulations, instead the audit finding focused on the infusion protocol being done by HCAs when it was outside their scope of practice. As a result of the audit, Dr. Grudzien discontinued infusion therapy for Medicaid recipients.

There was an additional allegation which caught the attention of the HHS OIG that some of Dr. Grudzien's patients were receiving Chelation infusion, which Medicaid authorizes only to address lead or mercury poisoning. Dr. Grudzian's patients receiving Chelation therapy were part of a National Institutes of Health study. There was no evidence that Dr. Grudzien was double-billing Medicaid for treatment provided to those study participants.

MFCU auditor Sally Odiorne reviewed the billing practices cited in the audit and determined that, at best, the dollar amount of the overpayment we could hope to charge/recover would be approximately \$3,040. At that time, the Unit had a \$20K threshold to prosecute cases, unless patient harm was ongoing. In this case, Dr. Grudzien had discontinued vitamin/mineral infusions for Medicaid patients, and had been instructed on the appropriate use of HCAs.

The challenges faced in proceeding with the investigation were:

- An extrapolation of Dr. Grudzien's billings was conducted by the DSHS audit team rather than a line-by-line audit;
- The Unit has never prosecuted a provider based on an extrapolation. Unit management believed that some future case would be ripe to test whether we could overcome reasonable doubt if an extrapolated audit was used, but that this was not the case for the test. Unit management felt that a line-by-line audit would be needed to support felony charges and we did not have the resources in-house to devote to that.
- All of Dr. Grudzien's records are electronic. To download Dr. Grudzien's payment and patient files would have been an enormous undertaking for a case with limited potential.

Case Referrals: None. Department of Health is already investigating Dr. Grudzien for standard of care issues.

Program Recommendations: None.

Case Status: As the case did not meet the Unit threshold, and no patient harm relative to the issues raised in the audit is occurring, Sr. Counsel Carrie Bashaw and I recommend this case be closed.

Prepared By: N. Lewin

Concur/Nonconcur: Brad Farnsworth  
Chief Investigator