

Prosecutors Question Doctors About UnitedHealth's Medicare Billing Practices

Justice Department prosecutors recently interviewed former employees about company practices that boost federal payments

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Former UnitedHealth employees say they have been questioned by prosecutors working for the healthcare-fraud unit. PHOTO: PATRICK SISON/AP

The Justice Department's criminal healthcare-fraud unit is investigating [UnitedHealth Group's](#) UNH 1.53% increase; green up pointing triangle Medicare billing practices, including how the giant company deployed doctors and nurses to [gather diagnoses](#) that bolstered its payments, people familiar with the matter said.

The Wall Street Journal reported in May that the healthcare-fraud unit was overseeing a [probe of the company's Medicare business](#). The investigation dates back to at least last summer.

Now, new details are emerging. In recent weeks, former UnitedHealth employees said they had been questioned by prosecutors working for the healthcare-fraud unit. The Federal Bureau of Investigation and the Department of Health and Human Services' Office of Inspector General also participated in some of the interviews, the former employees said.

The former employees said the investigators asked detailed questions about UnitedHealth's efforts to encourage the documentation of certain lucrative diagnoses, including testing patients, implementing procedures to ensure that medical conditions were captured, and sending nurses to patients' homes.

In Medicare Advantage, the program through which private insurers administer the benefits of the federal program for seniors and the disabled, the companies are paid more if their enrollees have certain health conditions.

A UnitedHealth spokesman said that the company welcomes "regular reviews of our policies and practices" and that it engages with government agencies directly, and not through the press. In May, when the Journal first reported the existence of the investigation, a UnitedHealth spokesman said the company stood "by the integrity of our Medicare Advantage program."

At a June shareholder meeting, UnitedHealth's chief executive, Stephen Hemsley, announced that the company would review its practices, including for documenting payment-triggering diagnoses.

After this article was published, UnitedHealth released a statement saying it would "deploy a regular, independent third-party" oversight and audit process for its diagnosis recording practices. It also noted that a decade-long Justice Department effort to recover alleged overpayments in a civil-fraud case had faltered.

The Justice Department, FBI and health department inspector general's office declined to comment.

The former employees who were questioned included doctors named in a series of Wall Street Journal articles last year that [examined UnitedHealth's practices](#).

"It was really about coding," said Dr. Naysha Isom, referring to diagnosis codes that insurers submit to Medicare to receive payments. "It was like, what were we asked to do, and how we did it," said Isom, who was interviewed by Justice Department investigators on June 11.

Isom, who previously worked for a UnitedHealth medical group in the Las Vegas area, said the investigators were interested in special training for doctors focused on recording diagnoses, and how the company would reach out to lists of patients and bring them in for visits to test for, or reconfirm, lucrative conditions.

Another former UnitedHealth doctor, Tom Lin, said a federal agent visited the medical practice where he works in Oregon, seeking to set up an interview with him.

He spoke for about 45 minutes to a group of federal prosecutors during the last week of June, Lin said. The prosecutors primarily asked about UnitedHealth's diagnosis-recording practices, he said.

"What were some of the common ones? Were you specifically asked to use them? What kind of training have you had on them? Do you feel pressured on using the codes?" Lin said.

Lin said prosecutors also asked about bonus payments he and other doctors received for reviewing lists of potential diagnoses suggested by UnitedHealth, and they requested documents related to the bonuses.

The group of prosecutors who interviewed Lin included a New York-based criminal health-fraud prosecutor as well as two Washington, D.C.-based lawyers from the Justice Department's National Rapid Response Strike Force. That group specializes in complex criminal health-fraud cases and coordinating "nationwide enforcement actions and multi-jurisdictional investigations," according to the department's website.

After the shooting of UnitedHealthcare CEO Brian Thompson in New York City, physicians offer a sober look at frustrations with the healthcare system in the U.S. Photo illustration: WSJ

UnitedHealth has said its diagnosis-recording practices help find diseases earlier, leading to savings for the health system. The company says Medicare Advantage plans achieve better health outcomes and reduce costs for patients.

Investigators also interviewed a nurse practitioner who previously worked for the company's HouseCalls unit, which sends nurses to the homes of Medicare plan enrollees. The nurses do tests and ask questions of the patients, and software encourages them to document diagnoses, the Journal has reported.

Among the diagnoses of interest to the investigators were several that were the focus of Wall Street Journal data analyses, including peripheral artery disease, which is a narrowing of blood vessels, and secondary hyperaldosteronism, a condition in which levels of the hormone aldosterone rise, according to healthcare providers who were interviewed.

Investigators asked about use of a device called a QuantaFlo in diagnosing the arterial condition, as well as a feature of UnitedHealth's software called the "diagnosis cart," where potential medical conditions would appear.

UnitedHealth has said it expects its medical providers to use their judgment in making diagnoses.

The Journal articles last year showed members of UnitedHealth plans received certain diagnoses that trigger additional payments at a higher rate than people signed up with other major Medicare insurers, leading to billions in extra taxpayer-funded payments.

Among the Journal's findings, [UnitedHealth received](#) \$2,735 in extra payments for recording new diagnoses per nurse home visit conducted on its members from 2019 to 2021, about 50% more than the average of all Medicare Advantage insurers. In all, the Minnesota-based insurance giant received \$8.7 billion in 2021 for diagnoses that [weren't documented in treatment claims](#) from doctors or hospitals, about half the total such payments.

Doctors working for [medical practices the company owns](#) also added certain diagnoses at unusually high rates when treating UnitedHealth Medicare plan members, the Journal found.

In statements responding to those findings published on its corporate website, UnitedHealth called the Journal's reporting "incomplete and inaccurate" without pointing out specific errors.

The criminal investigation comes in addition to two other Justice Department probes of UnitedHealth previously reported by the Journal, including a [civil investigation](#) of Medicare billing practices that examined some of the same issues, as well as a probe of [potential antitrust violations](#).

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