U.S. Department of Justice

United States Attorney
Eastern District of Arkansas

FOR IMMEDIATE RELEASE
May 20, 2009

CONTACT: **Jane W. Duke**
United States Attorney
501-340-2600

DEPARTMENT OF JUSTICE TO INTERVENE IN WHISTLEBLOWER CASE

Little Rock – Jane W. Duke, United States Attorney for the Eastern District of Arkansas, announced today that the United States has intervened in a federal *qui tam* lawsuit filed under the False Claims Act against a Little Rock hospice and its owners and operators. The lawsuit, which was filed by Arkansas Hospice, Inc. as relator, alleges that Hospice Home Care, Inc. billed Medicare for general inpatient (acute) care in situations where only routine care was provided. The Government's investigation revealed that in a large number of those cases general inpatient care was not required.

The False Claims Act allows private citizens or "whistleblowers" to file lawsuits as "relators" against individuals and entities committing fraud upon the federal government. As incentive for coming forward and exposing wrongdoers, the Act provides for monetary rewards to relators and for the payment of attorney's fees on successful claims. Once filed, the action remains under seal until such time as the United States determines whether it will intervene.

According to the complaint, which was unsealed today as a result of the Government's intervention, the alleged conduct began as late as 2003 and continued through 2004. During that time period, Hospice Home Care, Inc. ("HHC"), which lacked an inpatient facility, contracted with Parkview Rehabilitation and Healthcare Center ("Parkview") to provide inpatient care to HHC patients. HHC then billed the Medicare Program for each HHC patient residing at Parkview at the general inpatient level of care. The United States' review of the medical records has established that, for a vast majority of the days billed, patients needed only routine care. During the relevant time period, general inpatient care was reimbursed by Medicare at approximately $500 per day, while routine care was reimbursed at only $115 per day.

Duke explained that the United States' review thus far has only consisted of a representative sampling of 34 patients. That sampling identified 257 false claims submitted to Medicare by HHC. The total amount paid on the identified false claims was $1,673,878.22. Of that amount, at least $1.4 million represents overpayment to HHC.

The Notice of Intervention filed today does not seek to intervene as to Parkview because that entity has filed bankruptcy and ceased operations since the filing of the complaint by the relator. The relator's complaint also names Presbyterian Village, Inc., another facility with which HHC contracted, as a defendant; however, the Department of Justice is not intervening as to that entity. That decision was made because few patients were admitted at Presbyterian Village, and Presbyterian Village ceased its relationship with HHC soon after the contracts were negotiated and prior to any knowledge of the Government's investigation.

"The integrity of our federal health care programs is threatened every day by acts of fraud and abuse. We are committed to vigorously investigating, prosecuting and punishing those

health care providers who seek to manipulate the system for their own financial gain," stated Duke. She added, "The *qui tam* provisions of the False Claims Act provide a comprehensive method of recouping the monetary losses to the programs."

This case was investigated by the Little Rock Division of the Federal Bureau of Investigation and the United States Department of Health and Human Services, Office of Inspector General. The United States is represented by Assistant United States Attorney Dan Stripling. The relator is represented by Mitchell, Blackstock, Barnes, Wagoner, Ivers & Sneddon, PLLC of Little Rock.

# # #