

Whistleblower Physician Exposes Medicare Fraud in Two Pain Management Clinics; Feds Settle for \$3.3M

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The National Spine and Pain Centers (NSPC) and Physical Medicine Associates (PMA) have agreed to pay a \$3.3M to settle government claims that the two pain management clinics committed Medicare Fraud, violating the False Claims Act.

A former PMA employee and whistleblower provided the Department of Justice with evidence that both companies were submitting false claims to Medicare. As a healthcare company that is eligible for federal reimbursement for some treatments and services, NSPC and PMA can submit claims to Medicare on behalf of their patients. At issue were the medical services and urine drug tests the clinics provided. The whistleblower determined that some urine drug tests were unnecessary for treatment and a violation of Stark Law, which limits companies from referring patients to other medical providers that share a financial relationship. Additionally, NSPC and PMA allegedly reported Medicare claims for medical services not performed by physicians, and instead performed by physician assistants and nurse practitioners.

The former PMA physician filed a case against these companies on behalf of the government under the qui tam (whistleblower) provisions of the False Claims Act. The allegations were that NSPC and PMA were violating the False Claims Act by lying to the government about their medical services and the necessity of their urine drug tests. As such, pain management clinics were potentially liable for committing fraud to receive unlawful reimbursement from Medicare. By way of the recently-announced settlement, the qui tam lawsuit brought by the whistleblower resolved without the need for a trial.

Federal healthcare programs such as Medicare are meant to provide urgent medical treatment to those who need medical assistance. Historically, there have been many instances where whistleblowers exposed healthcare providers that were taking advantage of the Medicare system. Private citizens play a crucial role by acting as whistleblowers on behalf of the government, which holds these entities accountable for their fraud. These whistleblowers do not go without reward for their assistance. Successful whistleblowers receive up to 25 percent of the settlement from the case. "Under the False Claims Act, private citizens, also known as relators, can bring a suit on behalf of the United States and share in any recovery. ... [These] relators are awarded 15 to 25 percent of the settlement amount depending on the extent to which the relator substantially contributed to the recovery."

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