

Unlawful Incentives Uncovered: A \$4.5 Million Lesson for Home Health Care Providers

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The U.S. government continues to crack down on Medicare fraud and abuse, demonstrating a resolute commitment to preserving the integrity of its health care system. In a recent case highlighting this effort, Guardian Health Care Inc., Gem City Home Care LLC, and Care Connection of Cincinnati LLC, alongside their owner Evolution Health LLC (collectively referred to as “the Companies”), have agreed to a significant [settlement](#) amounting to \$4,496,330. This settlement resolves allegations that the Companies violated the False Claims Act by engaging in unlawful activities under the Anti-Kickback Statute. While there was no whistleblower in this case, a motivated individual with insider information could have reported Medicare fraud. Under the qui tam provision of the False Claims Act, whistleblowers can earn 15-25% of the government’s recovery in a fraud case.

The Allegations

From 2013 to 2022, the home healthcare companies allegedly offered various forms of remuneration to assisted living facilities and healthcare providers in exchange for Medicare beneficiary referrals. These included:

- Lease payments
- Wellness health services
- Sports tickets
- Meals

The home health agencies subsequently billed Medicare for services rendered to these referred patients, resulting in false claims tainted by kickbacks.

Settlement Details

The Companies settled the allegations by agreeing to pay \$4,496,330. They received credit under the Department of Justice guidelines for their cooperation and remedial actions.

Understanding the Anti-Kickback Statute

The Anti-Kickback Statute is a federal law designed to prevent corruption in healthcare programs. It

explicitly prohibits the exchange of remuneration (anything of value) with the intent to induce referrals of services or goods covered by federally funded healthcare programs such as Medicare, Medicaid, TRICARE, etc. The primary objective of this statute is to ensure that medical decisions are made based on patient needs rather than improper financial incentives.

The False Claims Act

The False Claims Act is one of the government's most potent weapons in the war on healthcare fraud. It enforces significant penalties against entities that knowingly submit false claims for government funds while also rewarding whistleblowers for coming forward with information about potential fraud. Submitting claims in violation of the Anti-Kickback Statute makes them ineligible for payment, thereby constituting a breach of the False Claims Act.

The Importance of Whistleblowers

Potential Medicare fraud whistleblowers should take note of the government's steadfast commitment to investigating and prosecuting violations of the Anti-Kickback Statute and the False Claims Act. Whistleblowers can help safeguard public funds and ensure healthcare providers adhere to ethical practices, while being rewarded in the process.

Conclusion

The settlement with Guardian Health Care Inc. and its affiliates serves as a stark reminder of the severe consequences of violating the Anti-Kickback Statute and the False Claims Act. The U.S. government remains vigilant in its efforts to combat healthcare fraud, and this case highlights the importance of transparency, cooperation, and ethical conduct in the healthcare industry.

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