

Medicaid and Medicare Fraud Allegations Resolved with a \$3.28 Million Settlement by the Estate of Dr. Kenneth Michael Rice and UMC Physicians

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On August 8, 2016 U.S. Attorney John Parker of the Northern District of Texas announced the resolution of a **False Claims Act (FCA)** lawsuit that alleged Medicaid and Medicare fraud by Dr. Kenneth Michael Rice and UMC Physicians. Both parties have agreed to pay a total of \$3,280,000.00 to the United States and the State of Texas to resolve the allegations.

“Health care providers, like all those that choose to do business with the government, must turn square corners when billing Medicare and Medicaid for services provided to patients,” U.S. Attorney Parker said in a press release. “As this settlement demonstrates, we will continue to work to ensure that providers bill for and are paid for the services they provide – but no more.”

UMC Physicians is a physician practice management group in Lubbock, Texas that employs healthcare providers for the Lubbock County Hospital District. Some doctors and groups of physicians, like Dr. Rice and UMC Physicians, accept Medicare and Medicaid assignments and are participating contractors with the government. These participants accept the reimbursement rate for services rendered as full payment regardless of a normally higher billing rate.

The False Claims Act case in question centered on allegations that from January, 2008 through February, 2015 healthcare provider Dr. Kenneth Michael Rice, employed by UMC Physicians, improperly billed Medicare and Medicaid for services not rendered by a physician.

Both Dr. Rice and UMC Physicians allegedly billed government reimbursements for evaluation and management services at both a higher physician fee rate and a higher critical care rate when no such service was performed or for which the higher billing was not properly justified because the services had been performed by people who were not physicians.

Dr. Rice passed away on February 4, 2015. Although both parties deny wrongdoing, the Estate of Dr. Rice agreed to pay \$2,000,000 and UMC Physicians agreed to pay \$1,280,000 to settle the claims with the United States government and the State of Texas.

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