

US Justice Department Recovers almost \$6 Billion in False Claims Act Cases: In fiscal year 2014, ending September 30, 2014, the US Department of Justice (“DOJ”) recovered nearly \$5.69 billion from settlements and judgments in False Claims Act Cases. The DOJ had the assistance of over 700 whistleblowers. In 2009, the Attorney General and the Secretary of Health and Human Services created an interagency task force to combat healthcare fraud. Since its inception, over \$14.5 billion in federal health care dollars have been recovered. In 2014, a total of \$2.3 billion was recovered for False Claims in federal health care programs alone. The most common type of False Claim involves Medicare and Medicaid claims. For example, one hospital system paid \$98.5 million to settle allegations that it improperly billed inpatient services that should have been performed as out-patient services, resulting in higher reimbursement rates. A home health services provider paid \$150 million to resolve allegations that it billed for services for homebound patients that were not medically necessary, as the DOJ contended the patients were not actually homebound.

Connecticut Supreme Court Allows Claim for Disclosure of Medical Records: The Connecticut Supreme Court has found that the Health Insurance Portability and Accountability Act (“HIPAA”) does not preempt causes of action for negligence and intentional infliction of emotion harm under state law. It did not, however, establish a private right of action to sue under HIPAA. In *Byrne v. Avery Center for Obstetrics and Gynecology*, the plaintiff appealed a ruling that her state law claim for the release of her medical records was preempted by HIPAA. The plaintiff alleged she instructed the provider not to release her medical records to a specified person she previously had a relationship with. That person later filed a paternity action against her and subpoenaed the provider for her medical records. The provider did not alert the plaintiff about the subpoena or attempt to quash the subpoena, as is required under HIPAA, and released her medical records in response to the subpoena. The case was remanded for further proceedings. While this decision does not, at present, affect health care providers in other states, providers should be mindful that their failure to comply with HIPAA could result in liability under state law in addition to penalties under HIPAA. The opinion may be found at: <http://ow.ly/FKqqZ>.

Massive Medicare Fraud Ring Shattered in New York: The U.S. Attorney for the Southern District of New York announced, on December 3, 2014, the unsealing of an indictment charging ten defendants with operating a massive health care fraud scheme through three medical clinics in Brooklyn and Queens through which the defendants submitted over \$70 million in fraudulent claims to Medicare and Medicaid. As alleged in the indictment, the defendants recruited financially disadvantaged and homeless people covered by Medicare and/or Medicaid to undergo unnecessary medical tests (typically performed by unlicensed personnel) at the clinics in exchange for cash, and then billed Medicare and Medicaid for administering those unnecessary tests. In total, the defendants are alleged to have submitted over \$70 million in fraudulent claims to Medicare and Medicaid, for which they, in turn, fraudulently received over \$25 million in payments. According to the indictment, beginning in or about 2005, the defendants recruited and paid a particular licensed physician to act as the nominal owner and physician under whose name the three purported medical practices would bill Medicare, Medicaid and private insurance carriers. Two of the defendants were in fact the owners of these medical practices, but they concealed their ownership through the doctor’s nominal affiliation with the medical practices. The U.S. Attorney praised the investigative work of the FBI New York Health Care Fraud Task Force, the NYPD, HHS, the NYC Human Resources Administration, the NYS Office of the Medicaid Inspector General and the NYS Attorney general Medicaid Fraud Control Unit for their involvement in the investigation.

For more information on the above items, contact Kern Augustine Conroy & Schoppmann, P.C. at 1-800-445-0954 or via email at info@DrLaw.com.



*Experience and Vigilance make a difference.
Log on to ThePAP.com for more details
or email us at info@ThePAP.com*

Or Scan the QR Code with your Smartphone!



To Stay Updated Daily: Search for “KERN AUGUSTINE CONROY & SCHOPPMANN, P.C.” on



info@DrLaw.com • DrLaw.com • 800-445-0954

Please feel free to share this publication. If you wish to unsubscribe, you may forward your request to info@DrLaw.com.