



## **Cardiac Monitoring Companies Face \$13.45 Million Settlement for Allegedly Steering Physicians to Costly Services**

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On June 26, 2017, the U.S. Department of Justice (DOJ) announced a \$13.45 million settlement with two Texas-based cardiac monitoring companies for alleged Medicare overbilling practices. The companies are independent diagnostic testing facilities (IDTFs) that provide remote cardiac monitoring services. The DOJ alleges that the companies adopted an enrollment process that steered ordering physicians to the most costly level of service payable by each patient's insurance plan.

The allegations against both companies were brought by a former sales manager under the qui tam provision of the False Claims Act (FCA), which allows private citizens (known as "whistleblowers") to file complaints on behalf of the government against those suspected of defrauding federal programs. The whistleblower in this case is expected to receive approximately \$2.4 million between the two settlements.

The case is *United States ex rel. John Doe v. Spectacor Enterprise Services, LLC, et al.*, Case No.14-1387 (KSH) (D.N.J.).

Key takeaways:

1. Non-compliant health care providers and related vendors have become prime targets in the government's efforts to combat health care fraud.
2. IDTFs and other health care vendors are on notice that the DOJ will scrutinize the technological processes companies make available to physicians for ordering services. While the DOJ recognizes the positive impact medical technology has on patient care, it also recognizes that such technology is susceptible to fraudulent misuse.
3. Monitoring for and resolving any identified overpayments to Federal health care programs remains a critical compliance consideration to avoid potential FCA liability.

The health care practice group at Plews Shadley Racher & Braun LLP regularly works with physicians, dentists, nurses, physician assistants, and other health care providers to counsel on FCA and other regulatory issues. Additional information about Plews Shadley Racher & Braun LLP and its health care practice is available at [www.psrb.com](http://www.psrb.com).