

Owner and Managers of Health Care Practice Pay \$900,000 to Resolve False Claims Act Lawsuit

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On Sept. 9, 2020, the United States Attorney for the Western District of North Carolina announced that it had settled a whistleblower lawsuit alleging False Claims Act violations by two former managers and the owner of a now defunct healthcare company. The government will be paid \$900,000 under the terms of the settlement of *United States and the State of North Carolina ex rel. David A. Majure, M.D., Carla C. Majure v. Carolina Comprehensive Health Network, PA, et al.* (5:15-CV-134).

The lawsuit alleged that the defendants billed claims for “medically unnecessary diagnostic tests and procedures to the Medicare and Medicaid programs” for six months, including positional nystagmus testing, rotational axis testing, nerve conduction testing and autonomous nervous system testing. While the lawsuit was initiated by the whistleblower, the government intervened, investigated and reached this settlement with the former owner and two managers of Carolina Comprehensive Health Network.

This lawsuit and resolution highlight the necessity for healthcare practices to comply with the False Claims Act, 31 U.S.C. §§ 3729 – 3733, with regards to Medicare and Medicaid billing practices to avoid significant liability.

If you have questions or concerns about this ruling and how it relates to your healthcare practice’s Medicare or Medicaid billing practices, contact the author of this alert, listed below.