

## **Amedisys, Inc. Settles Civil False Claims Act Liabilities for \$150 Million**

Philadelphia and Boston, April 23, 2014 —The United States Department of Justice and several whistleblowers have reached an agreement with Louisiana based home healthcare provider Amedisys, Inc. (“Amedisys”) to resolve civil fraud liabilities under the Federal False Claims Act (“FCA”) for \$150 million. In addition to paying a \$150 million civil settlement, Amedisys will be bound by a Corporate Integrity Agreement (“CIA”) with the Office of Inspector General of the United States Department of Health and Human Services (“OIG-HHS”). This settlement is, by far, the largest home healthcare settlement in the history of the FCA, and concludes multiple whistleblower suits, including one brought by CAF Partners, represented by Suzanne Durrell of Durrell Law Office and Robert M. Thomas, Jr. of Thomas & Associates, affiliates of the Whistleblower Law Collaborative, and Tavy Deming and Emily Lambert of Kenney & McCafferty.

This settlement marks the successful conclusion of a nearly six year effort by CAF Partners to expose fraudulent practices by home health behemoth Amedisys. While the case was filed in 2010, in fact, actions by one of the partners date back to September 2008 when, voluntarily, and out of a sense of duty, the individual placed a call to a regional office of the OIG-HHS. On that call, and over the course of a year of follow-up discussions with the government, the individual articulated well-founded allegations regarding a systematic manipulation of data by Amedisys to make patients appear sicker than they actually were in order to justify extra, unnecessary therapy visits to qualify for bonus payments under the Medicare Home Health Prospective Payment System (“PPS”). “The taxpayers should be very grateful that someone came forward and then persevered in making the government aware of Amedisys’ wrongdoing. Medicare is essentially an honor system under which CMS pays first and chases later; too many times, CMS does not know who to chase, but thankfully here they were given a roadmap and the Department of Justice followed it,” said Suzanne Durrell of Durrell Law Office. “We are proud to represent individuals who help make the system work.” said Robert M. Thomas, Jr., of Thomas & Associates.

The members of CAF Partners who joined with this individual also brought unique and valuable insight into the use, and impact, of Amedisys’s proprietary software system. Through this system, CAF Partners alleged that Amedisys sought, not only, to admit, and subsequently recertify, patients to home health care that did not meet the Medicare guidelines for services, but also targeted patients for recertification in order to qualify for higher reimbursement from Medicare. “Rather than ‘drink the Kool-Aid,’ CAF Partners called out Amedisys for picking the taxpayers’ pockets through pushing aggressive overutilization of home health services, including most notably through its signature program Balanced for Life, for which the admission criteria was made purposefully amorphous, so nearly every patient qualified,” according to Tavy Deming of Kenney & McCafferty. Added Deming, “Amedisys continued to pad its soaring Medicare profits by revamping its menu of therapy programs to hit revised Medicare therapy bonus thresholds that took effect in 2008.” Suddenly in 2008, diagnoses for which Amedisys previously provided 10 or 11 therapy visits – since prior to 2008, 10 therapy visits triggered a Medicare therapy bonus payment - required an increased number of visits that tracked the revised Medicare therapy bonus thresholds of 6, 14, and 20.

“Our client had a tremendous amount of evidence relating to practices including Balanced for Life and is extremely pleased with the knowledge that its information contributed to the curbing of practices utilized to drive corporate profits,” said Emily Lambert of Kenney & McCafferty.

The lawsuit was filed in May 2010 in the Eastern District of Pennsylvania under the *qui tam*, or whistleblower, provisions of the False Claims Act. These provisions permit private parties to sue on behalf of the United States when they believe an individual or company has submitted false claims for government funds. In successful *qui tam* actions in which the Government intervenes, whistleblowers are entitled to receive a percentage of the funds recovered, typically 15 to 25 percent, known as a “relator’s share.” Relator CAF Partners will receive a portion of the more than \$25,500,000.00 million relator’s share awarded in this case.

Relator CAF Partners as well as its counsel praised the efforts and approach of the federal government’s investigation into Amedisys’ conduct, a collaborative effort led by Lisa K. Samuels, Trial Attorney with the Justice Department’s Civil Fraud Section, and Assistant US Attorneys Gregory David and Eric Gill of the US Attorney’s Office for the Eastern District of Pennsylvania, Assistant US Attorney Lane Woodke, Civil Division Chief, of the US Attorney’s Office for the Northern District of Alabama, and Assistant US Attorney Christopher Huber of the US Attorney’s Office for the Northern District of Georgia, alongside agents from OIG-HHS. “This case is a wonderful example of a successful and effective partnership between the Government and Relators” said Attorney Durrell. “We were able to work very closely with the Government and provided valuable assistance over the course of the multi-year investigation; our clients are very grateful for the government’s hard work and cooperation” continued Attorney Lambert.

This case is the latest in a string of health care fraud whistleblower settlements in which the Whistleblower Law Collaborative [www.whistleblowerlawcollaborative.com](http://www.whistleblowerlawcollaborative.com) and/or Kenney & McCafferty [www.kenneymccafferty.com](http://www.kenneymccafferty.com) have been involved as counsel for the whistleblowers. This is the first time these two pre-eminent whistleblower firms have acted as co-counsel for a relator, a team effort that proved very successful.

The case is captioned *United States ex rel. CAF Partners v. Amedisys, et al.*, Civ. No.:10-cv-02323 (E.D. PA).

For inquiries, please contact:

Whistleblower Law Collaborative

Suzanne Durrell  
(617) 371-1072

[suzanne.durrell@verizon.net](mailto:suzanne.durrell@verizon.net)

Bob Thomas  
(617) 371-1072

[rmt@thomasandassoc.net](mailto:rmt@thomasandassoc.net)

Kenney & McCafferty, P.C.

Tavy Deming  
(215) 367-4333

[tdeming@kenneymccafferty.com](mailto:tdeming@kenneymccafferty.com)

Emily Lambert  
(215) 367-4333

[elambert@kenneymccafferty.com](mailto:elambert@kenneymccafferty.com)