

BioTelemetry and LifeWatch Agree to Pay Nearly \$13 Million to Settle False Claims Act Case Brought by Whistleblower Law Collaborative Client



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BOSTON, Dec. 18, 2023 /PRNewswire/ -- Whistleblower Law Collaborative LLC is pleased to announce that the United States has settled a False Claims Act case brought by one of its clients. Under the terms of the settlement, BioTelemetry, Inc. and LifeWatch Services, Inc. ("Defendants") will pay \$12,936,574, plus interest, to resolve allegations that they submitted false claims to federal health programs for mobile cardiac telemetry services.

Defendants market ambulatory heart monitoring devices and services to health care providers. These include cardiac event monitoring and mobile cardiac telemetry. Federal health insurance programs reimburse telemetry services at a much higher rate than event monitoring. One of Defendants' products was LifeWatch's MCT-3L device, which it marketed as capable of performing three different types of heart monitoring services – Holter, event monitoring, and telemetry. Our client's complaint alleged that the online enrollment portal for the MCT-3L forced clinical staff to select telemetry even when doctors had ordered event monitoring, which was much less expensive. As a result, Defendants received the highest level of reimbursement regardless of medical necessity or reasonableness by submitting false claims to Medicare and other federal insurance programs.




The settlement agreement identifies ninety locations across the country where the United States contends Defendants improperly billed for telemetry services instead of event monitoring from July 1, 2014, through December 31, 2020. Our client was on the clinical staff at one of those locations. Despite making clear to Defendants on multiple occasions that physicians at his facility were ordering event monitoring and did not want telemetry, Defendants' online portal nevertheless forced enrollments in telemetry. Even after clinical staff began including notes on patient enrollments specifically requesting event monitoring, those notes were ignored.

Our client brought Defendants' fraud to light by filing a complaint under the False Claims Act in July 2018 in U.S. District Court in New Jersey. Under the False Claims Act, a private citizen (known as a "relator") who knows of fraud can act as a whistleblower and file a sealed complaint on behalf of the government. If the case is successful, the relator is entitled to a share of the government's recovery. For his efforts, our client will receive \$2.33 million from the government. As the Department of Justice noted in its press release announcing this settlement, "[o]ne of the most powerful tools in [combating health care fraud] is the False Claims Act."

Our client explained why he became a whistleblower: "I was frustrated that Defendants ignored our instructions and billed for something the doctors didn't want. It cost taxpayers money because telemetry was much more expensive, and it hurt patients because they often ended up with higher copayments."

In announcing the settlement, Philip R. Sellinger, the U.S. Attorney for the District of New Jersey, emphasized: "Our health care system is based on doctors choosing the level of care appropriate for their patients. It undermines this system and costs taxpayers if companies design systems that make it harder for physicians to order only necessary services and also use their sales force to mislead health care practitioners, as we allege happened here."

Our client praised the government team and his attorneys for their work on the case: "Deciding to become a whistleblower was hard and the road was long, but I'm glad I spoke up. I couldn't have done this without my attorney Linda Severin, who guided me every step of the way. I'm also extremely grateful to the government team for their hard work and tenacity investigating this case. It's very gratifying to see that the companies were held accountable." 

Ms. Severin commended her client for coming forward. "He realized that Defendants' practices led to unnecessary and expensive monitoring. And, by blowing the whistle, he helped put a stop to those abusive practices. Whistleblowers are essential to the fight against health care fraud." She noted that this case resembles another successful case handled by her firm in which four cardiac monitoring companies and an executive agreed to pay over \$13.4 million for having an enrollment portal that led providers to order telemetry for all patients, regardless of medical necessity or what the doctor intended to order.

Ms. Severin praised the outstanding work of the New Jersey U.S. Attorney's Office and the Department of Justice, particularly DOJ Civil Fraud attorneys Amy Kossak and Jessica Sievert and Assistant U.S. Attorneys Paul Kaufman and Erin Lindgren. In addition, special agents from several government agencies assisted with the investigation, which identified false claims involving Medicare, TRICARE, the Federal Employees Health Benefits Program, and the Department of Veterans Affairs. These include Robert Basile and Paul Scott (Health and Human Services Office of Inspector General), Robert Lerario (Defense Criminal Investigative Services), Wendy Diamond (Office of Personnel Management Office of Inspector General), and Marc Walker (Veteran's Administration Office of Inspector General).

Also key to the success of the case was the excellent support provided to Whistleblower Law Collaborative by its local counsel, Neil S. Cartusciello of Cartusciello & Kozachek, LLC in Bordentown, New Jersey.

Further information about the BioTel & LifeWatch Settlement is available [here](#).

[Whistleblower Law Collaborative LLC](#) devotes its practice entirely to representing whistleblowers. For more information, contact the firm at 617.366.2800 or email Linda Severin at linda@whistleblowerllc.com or Suzanne Durrell at suzanne@whistleblowerllc.com.

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