

Home-Health Services Company Settles After Allegations of Double-Billing Scheme

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by Ryan Cole

The Department of Justice recently announced that a home-health services company has agreed to pay over \$45,000 to resolve alleged False Claims Act (“FCA”) violations. Professional Family Care Services, Inc. (“PFCS”), a North Carolina corporation, faced allegations of fraudulent billing for work by an employee that was convicted of wire fraud and sentenced to prison for her role in the alleged scheme.

For two years starting in 2015, PFCS billed the Department of Veterans Affairs (the “VA”) for home-health services related to the medical care of an Army veteran identified by the initials W.R. While PFCS was billing the VA for home-health services, W.R. was actually residing with a Certified Nursing Aide. Relevant evidence indicated that PFCS was billing the VA based on falsified timesheets provided by the aide, for example, timesheets showing her providing services to W.R. and another patient simultaneously. As a result, VA alleged that PFCS failed to provide W.R. with the time and quality of care required under the VA program.

W.R. was eventually admitted to the hospital, where it was discovered that W.R. was extremely malnourished and died shortly after. Following the death of W.R., PFCS submitted 15 separate claim forms seeking payment from the VA for the services provided by the aide totaling \$11,273.92.

Under 31 U.S.C. § 3729(a)(1), civil FCA claims may lead to treble damages in addition to other penalties for false or fraudulent claims. As a result, PFCS agreed to pay \$45,486.76 to settle the dispute and avoid litigation. The aide was sentenced to twelve months and one day in federal prison for wire fraud related to the charging of home services for W.R. and ordered to pay over \$90,000 in restitution.

The primary takeaway here is that businesses that bill services to the government must closely review their invoices. PFCS’s employee was double-charging the government for services, which could have been identified by internal review protocols. Regardless of whether PFCS was aware of or condoned the actions, they were ultimately liable for

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monetary penalties. Healthcare is one of the largest drivers of FCA liability, and this case serves to highlight the importance of internal controls when billing the government for healthcare services.