



## The Birmingham News

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### **SouthernCare pays \$24.7 million, settling Medicare fraud claims** SouthernCare pays \$24.7 million in settlement

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SouthernCare is paying the federal government \$24.7 million to settle claims that the Birmingham-based hospice company fraudulently enrolled elderly people in hospice and charged Medicare for services when the patients were not dying, according to the U.S. Department of Justice.

The charges stem from two lawsuits unsealed Thursday that were filed in Birmingham's federal court by two former employees of SouthernCare, a private company with 95 offices in 15 states. In agreeing to the settlement, the company admitted no wrongdoing.

The lawsuits alleged that SouthernCare purposefully enrolled ineligible patients for hospice care, which is restricted to patients who have six months or less to live.

One of the whistle-blowers said a patient who had successful heart bypass surgery and yet stayed on hospice through SouthernCare for four years ultimately apologized for not dying.

The whistle-blowers, Tonja Rice and Nancy Romeo, will get \$4.9 million from the settlement. Both are registered nurses. Rice filed her suit in 2005 and Romeo filed hers in 2007. The settlement unveiled Thursday said the fraudulent behavior took place from January 2000 through September 2008.

Rice and Romeo said many of SouthernCare's patients didn't need or didn't get hospice care because they were not terminally ill, but the federal government was billed as though they were. Some patients were receiving aggressive curative treatment at the time from other doctors, and other patients barely needed home health care.

Rice said the company mined Birmingham-area nursing homes and doctors' offices for patients they could dupe. Romeo said employees risked losing their jobs if they didn't meet a quota of enrolling 21 patients each per month, no matter whether they qualified for hospice. At times, employees from outside Alabama came into the state to help "slam" more patients into the program, the whistle-blowers said.

"It was a numbers game with SouthernCare," said Henry Frohsin, one of Romeo's attorneys. "They were trying to bolster their rolls because Medicare pays for hospice care and does not (always) pay for home care."

#### **Not home health care:**

The whistle-blowers' lawyers said SouthernCare had a marketing strategy of going into churches and other places, telling patients they could get Medicare to pay for services not normally covered....



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