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Medicare fraud case bill: \$24.7M

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SouthernCare agrees to pay to settle charges

SouthernCare Inc., a hospice-care provider based in Alabama, agreed today to pay the federal government \$24.7 million to settle charges of falsely billing Medicare.

"This was a case of corporate excess and greed over many years that was driven not by care for the patient, but driven by number and payments from the taxpayers," said attorney Henry Frohsin of Birmingham.

Frohsin represents one of the former caseworkers turned whistle-blower. Frohsin said the company submitted Medicare billing for and provided in-home hospice services for patients who continued to live for years.

"Many of them were not in the last stages of their lives," said Frohsin, calling it the largest hospice fraud case in U.S. history.

Founded in 1995, SouthernCare maintains its headquarters in Birmingham and operates 95 sites in 15 states. The company is most active in Alabama where it provides care from 27 offices, including one in Huntsville on South Memorial Parkway.

The local office referred all questions to a corporate spokesperson, who supplied a written response late Thursday.

"Importantly, the dispute was wholly unrelated to the quality of hospice care provided by SouthernCare," reads the company statement, "but rather, dealt with the criteria for determining when a patient is eligible to receive hospice services under Medicare rules."

To qualify for Medicare benefits for hospice care, patients must be diagnosed with a life expectancy of six months or less. Federal investigators argued that SouthernCare submitted claims for patients who were not terminally ill and did not require in-home hospice care, which can include everything from sponge baths to spiritual counseling to pain pills.

But according to SouthernCare, it's not always easy to tell who qualifies. The company argues in its statement that "accurately predicting life expectancy is an inexact science."

According to the Department of Justice, the hefty payout resulted from claims filed by two former caseworkers in Birmingham. Their lawsuits were kept sealed as the federal government investigated the charges.

"Our investigation showed a pattern and practice to falsely admit patients to hospice care who did not qualify and to bill Medicare for that care," said Alice H. Martin, U.S. Attorney for the Northern District of Alabama. "This resulted in taxpayers bearing inappropriate costs."...



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