

LONG TERM CARE & SENIOR LIVING BLOG

# HEAT Settlement Resolves Alleged Inducement of Medicare and Medicaid Business

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Next time you wonder how seriously the Department of Justice (DOJ) and its Health Care Fraud Prevention and Enforcement Action Team (HEAT) takes fraud and abuse, be assured they are very serious. This recently announced settlement arose from allegations the DOJ received from a whistleblower that Rite Aid provided gift cards to Medicaid and/or Medicare beneficiaries as an “inducement” to transfer their prescriptions to Rite Aid. Stephanie Yonekura, the Acting U.S. Attorney for Central District of California was quoted as saying the “settlement holds Rite Aid accountable for exerting undue influence on individuals when they make important healthcare decisions about where and when to fill prescriptions.” As part of the settlement, the whistleblower who filed the allegations will receive \$508,300 of the settlement.

When considering whether an action, whether direct or indirect, could be considered an inducement to a Medicare or Medicaid beneficiary, think seriously. Qui Tam provisions encourage whistleblowers to let the government know about such actions by providing an opportunity to share in any settlement the government may enter. Before making a decision on whether to proceed with any action that could be considered an inducement and/or a kickback involving healthcare, it is best for providers to consult legal counsel to ensure the contemplated action will not expose the party to potential HEAT attention.

Here's a link to the press release for this recent settlement: <http://www.justice.gov/opa/pr/rite-aid-corporation-pays-299-million-alleged-use-gift-cards-induce-medicare-and-medicaid>.

Questions, please let us know, we can help.

By Denise Bloch

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