

LONG TERM CARE & SENIOR LIVING BLOG

Learning the Hard Way – Omnicare to Pay \$124M False Claims Settlement

AUTHOR: SANDBERG PHOENIX

False Claims Act (FCA) allegations are serious business. Anti-Kickback Statute prohibits offering, paying, soliciting or receiving remuneration to induce referrals of items or services covered by Medicare, Medicaid and other federally funded programs. Omnicare learned the hard way just how serious FCA actions can be when a whistleblower made allegations against it.

The Department of Justice announced the conclusion of two FCA suits against Omnicare. The lawsuits alleged that Omnicare provided improper discounts to skilled nursing facilities in exchange for the opportunity to provide medication to Medicare and Medicaid beneficiaries. The final finish involved Omnicare paying \$124M to settle. Of that settlement, various states which jointly funded the Medicaid programs impacted by Omnicare's conduct will receive \$8.24M and the whistleblower, a former employee, will receive \$17.4M. This settlement is a result of another Health Care Fraud Prevention and Enforcement Action Team (HEAT) resolution and demonstrates just how seriously the government takes health care fraud.

Health care providers need to be aware of the potential serious consequences of health care fraud and abuse.

By Denise Bloch

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