Laboratory Pays $27 Million to Settle Alleged False Claims and Anti-Kickback Violations

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On October 2, 2024, the U.S. Department of Justice (DOJ) announced that Precision Toxicology LLC (Precision), a toxicology laboratory that markets and performs urine drug testing (UDT) nationwide, agreed to a settlement to resolve allegations that Precision violated the False Claims Act (FCA) , which prohibits knowingly submitting false claims to federal healthcare programs, and the Anti-Kickback Statute (AKS), which prohibits remuneration to induce referrals of services covered by federal healthcare programs. According to the DOJ, Precision violated the FCA by allowing physicians to order UDT without first determining that the UDT was reasonable and medically necessary. In addition, the DOJ also accused Precision of violating the AKS by offering physicians free point-of-care urine test cups under the condition that the physicians would return the samples to Precision for testing. Under the terms of the settlement, Precision agreed to pay a $27 Million fine and agreed to enter into a corporate integrity agreement with the U.S. Department of Health and Human Services Office of Inspector General (OIG) in exchange for the OIG not initiating an administrative action to exclude Precision from participation in federal health care programs. The settlement also resolved three lawsuits brought under the whistleblower protections of the FCA.

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