Medical Equipment Supplier Reaches $29 Million Settlement in Whistleblower Action



9/30/2023

The Department of Justice (DOJ) recently announced that Lincare Holdings Inc. (Lincare), a Florida medical equipment supplier, has agreed to a settlement under which it will pay $29 Million and reform its Medicare billing practices to resolve allegations that it violated the False Claims Act (FCA) by overbilling traditional Medicare, federally funded Medicare Advantage Plans offered by private insurers, and beneficiaries for oxygen equipment rentals. Lincare rents and services oxygen equipment, including stationary home and portable oxygen concentrators and gaseous and liquid oxygen equipment, to patients with respiratory issues in 49 states and is the sole Medicare provider of oxygen equipment in many rural communities. Medicare reimburses providers of oxygen equipment rentals for the cost of up to three years of lease payments or until Medicare has paid the full purchase price of the equipment, after which the provider is required to continue providing the oxygen equipment without reimbursement. According to the DOJ, Lincare submitted false claims by continuing to bill Medicare for oxygen equipment rentals to patients after Medicare had already provided reimbursement in amounts to cover the full purchase price of the devices.

As part of the settlement, Lincare has agreed to enter into a corporate integrity agreement with the Department of Health and Human Services and has agreed to retain the services of an independent reviewer to help reform its claims and billing practices and identify prior overpayments. Of the $29 Million settlement total, nearly $12.6 Million is restitution and more than $5.6 Million will be paid to the whistleblowers, two former Lincare employees who sued the company on behalf of the federal government in Washington federal court in 2021. The settlement also includes $362,000 to cover the whistleblowers' costs and expenses. The case is believed to be the first successful FCA case against a healthcare supplier for overcharging the Medicare Advantage program for its services.

Click Here to read the entire September 2023 Healthcare Law Update now!

For more information, contact:
Keith Roberts | 973.364.5201 | kroberts@bracheichler.com
Jonathan J. Walzman | 973.403.3120 | jwalzman@bracheichler.com
Paul DeMartino | 973.364.5228 | pdemartino@bracheichler.com