



News Release

Attorney General Robert E. Cooper, Jr.

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TENNCARE PROVIDER FRAUD TASK FORCE REACHES LARGEST TENNCARE FALSE CLAIMS ACT SETTLEMENT TO DATE, RESOLVING DRUG OVERBILLING

Tennessee Attorney General Bob Cooper announced today a Louisville-based company will pay \$1,307,752 to settle claims it violated state and federal laws regarding overbilling TennCare for pharmaceuticals.

Today's announcement represents the largest monetary settlement to date reached by the TennCare Provider Fraud Task Force under the False Claims Act. The Task Force is a joint effort of the Tennessee Attorney General's Office, the Tennessee Bureau of Investigation Medicaid Fraud Control Unit and the TennCare Bureau. As a result of the agreement, Kindred Healthcare, Inc., and its associated corporation, PharMerica, will pay more than \$496,000 in penalties.

Kindred provides pharmaceuticals to TennCare patients in group homes and long-term care facilities throughout Tennessee. The Task Force alleged that from 2003 through 2006, Kindred's Knoxville facility billed for a higher number of pharmaceuticals than were actually administered. In some cases, the overbilling was for multiple times the proper amount. There was no allegation that any patient at the facility received an improper dosage. Kindred denies any wrongdoing.

The investigation was prompted by a billing clerk who blew the whistle on her employer. The employee stated that she made her concerns known, but that insufficient action was taken to remedy the problem.

"TennCare providers should be responsive to employee concerns about fraud and abuse," said Attorney General Bob Cooper, who noted that employers are required to self-report any known overpayments. "We hope this agreement will serve as a reminder we take these matters seriously."

TBI Director Mark Gwynn said of the case, "The hard work of this Task Force is proven its worth in this case. Abuse like this will not be tolerated in Tennessee, and healthcare providers should stay focused on proper billing procedures and come forward if there is an inconsistency. Alerting authorities is of the utmost importance."

The case was pursued by the TennCare Provider Fraud Task Force and the United States Attorney's Office for the Eastern District of Tennessee.