

## Report on Medicare Compliance Volume 29, Number 9. March 09, 2020

### News Briefs: March 9, 2020

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◆ The U.S. Attorney's Office for the District of Massachusetts said March 5 it has filed a False Claims Act complaint against SpineFrontier Inc., Impartial Medical Experts LLC (IME), and three of their executives for allegedly paying more than \$8 million in kickbacks to surgeons to induce them to use SpineFrontier's devices in spinal surgeries.<sup>[1]</sup> The alleged kickbacks were "in the form of sham consulting fees via a sham third-party, IME," the U.S. Attorney's Office said. The executives are Kingsley Chin, the founder and CEO of SpineFrontier; Aditya Humad, the CFO of SpineFrontier; and Vanessa Dudley, Chin's wife and IME's business administrator. The U.S. Attorney's Office also announced it has settled civil fraud claims with three orthopedic surgeons and two neurosurgeons who took kickbacks from SpineFrontier. They settled for amounts ranging from \$105,149 to \$486,985.

◆ STG Healthcare of Atlanta Inc. and two executives, Paschal "Pat" Gilley and Mathew Gilley, have agreed to pay \$1.75 million to settle allegations that STG Healthcare, operating as Interim Healthcare of Atlanta, submitted false claims to Medicare and Medicaid for hospice services, the U.S. Attorney's Office for the Northern District of Georgia said March 4.<sup>[2]</sup> STG Healthcare allegedly billed for patients who were not eligible for the hospice benefit because they weren't terminally ill. The defendants didn't admit liability in the settlement.

◆ The Department of Justice (DOJ) has launched a National Nursing Home Initiative,<sup>[3]</sup> Attorney General William Barr said March 3. The initiative will "coordinate and enhance civil and criminal efforts to pursue nursing homes that provide grossly substandard care to their residents," DOJ said. Investigations of 30 nursing facilities in nine states are already underway.

<sup>1</sup> Department of Justice, U.S. Attorney's Office for the District of Massachusetts, "U.S. Attorney Sues Spinal Device Company and Its Executives for Allegations that they Paid Kickbacks to Surgeons," news release, March 5, 2020, <http://bit.ly/2ItKicY>.

<sup>2</sup> Department of Justice, U.S. Attorney's Office for the Northern District of Georgia, "Hospice to pay \$1.75 million to resolve false claims act allegations," news release, March 4, 2020, <http://bit.ly/2voAFQb>.

<sup>3</sup> U.S. Dep't of Justice Office for Public Affairs, "Department of Justice Launches a National Nursing Home Initiative," news release, March 3, 2020, <http://bit.ly/2TnrvGV>.

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