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By Nina Youngstrom

In a grab-bag settlement with the HHS Office of Inspector General (OIG), Paradigm Diagnostics Inc. in Arizona agreed to pay \$3.43 million to settle allegations that it overbilled Medicare for genetic testing, waived patient copays and paid various kickbacks to physicians and a clinical decision support software manufacturer for patient referrals. The settlement stemmed from Paradigm's self-disclosure to OIG.

It's unusual to see so many seemingly unrelated items in the same settlement, attorneys said. It makes sense, however, for organizations to put all known compliance concerns in a self-disclosure where possible, said attorney Asher Funk, with Goodwin in Washington, D.C. "You don't want to disclose only one issue when a bunch of other concerns are hanging out there," Funk said. It's much better "to put everything on the table in an effort to reach a global resolution." Then again, the government usually takes the position that paying kickbacks leads to overutilization, so allegations may be linked, he said. "One of the most tried and true theories the government pursues is the interplay between improper remuneration and allegedly medically unnecessary care," Funk said, although it's unclear what happened here. Three attorneys for Paradigm didn't respond to RMC's request for comment.

"This is a little bit novel to me," said attorney Bob Wade, with Nelson Mullins in Nashville, Tennessee. It's partly a successful compliance story because Paradigm identified and reported problems, but he questions why there were so many compliance issues to resolve.

The settlement, which was obtained through the Freedom of Information Act, is broken down into two parts. The first part addresses allegations that Paradigm submitted claims to Medicare for items or services it knew were false or fraudulent, which subjects them to civil money penalties. Specifically, the company allegedly submitted false Medicare claims:

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