

Report on Medicare Compliance Volume 33, Number 4. January 29, 2024

Idaho Clinics, Owners Pay \$2M in FCA Case Over Worthless Services

By Nina Youngstrom

AmeriHealth and its owners, Ryan and Alban Hatch, agreed to a \$2 million consent judgment after admitting they violated the False Claims Act (FCA) in connection with Medicare, Medicaid and TRICARE claims for “worthless services,” the U.S. Attorney’s Office for the District of Idaho said Jan. 17.^[1] The services were described as worthless partly because some of them were provided by a nurse practitioner who was impaired by drug and alcohol abuse.

AmeriHealth—which operates medical clinics in Idaho—and the Hatches also resolved allegations they violated the Controlled Substances Act (CSA) and Anti-Kickback Statute (AKS) and got COVID-19 relief fund money they weren’t entitled to. But the defendants denied this set of allegations in the consent judgment.^[2] Greg Goldberg, an attorney for the Hatches, said they fully cooperated with the government’s investigation.

The allegations are compelling, said attorney John Kelly, with Barnes & Thornburg in Washington, D.C. “The way they describe it is one prescriber had serious addiction issues and was prescribing controlled substances,” he said, compounded by the alleged lack of supervision of the prescriber and another practitioner. Then throw in the other allegations—including what has become de rigueur with COVID-19 fraud—and the government has hit the “trifecta” with this case, Kelly said. Cassie Fulghum, a spokesperson for the U.S. attorney’s office, told RMC the allegations came to the government’s attention through data analytics.

Alleged Failure to Supervise Practitioners

According to the complaint, by 2018 Ryan and Alban Hatch ran multiple clinics in eastern Idaho under the name AmeriHealth, which employed physicians, nurse practitioners and medical assistants and provided urgent care, pain management and drug treatment, among other things. The complaint alleged, however, the defendants hired “inexperienced and compromised” practitioners to treat patients because they were cheaper to employ and less compliant with billing rules.^[3]

“Defendants recklessly hired and failed to properly supervise such inexperienced or compromised practitioners who then wrote more, and sometimes unnecessary or unsafe, prescriptions for controlled substances to AmeriHealth patients,” the complaint alleged. “Defendants’ recklessness in hiring and supervising such practitioners created an environment in which drug-seeking patients would schedule office visits that could then be billed to insurance.”

For example, the defendants hired a nurse practitioner (NP) in 2018 who they knew or should have known had an alcohol and drug problem, the complaint alleged. The NP, who was referred to as “Prescriber 1” in the complaint, was originally hired to manage medications for psychiatric patients, but within six months, the defendants instructed the NP to treat pain-management patients, which involved prescribing controlled substances.

Because of the NP’s problems with alcohol and substance abuse, the NP didn’t want to treat pain-management patients or prescribe controlled substances, the complaint alleged. But the NP allegedly was pressured to do so by

the defendants so they could make more money and keep the customers coming back.

Defendants also allegedly knew or should have known the NP continued to abuse alcohol or other substances while working at AmeriHealth between 2018 and 2020, but they continued to bill Medicare and Medicaid for the NP's services. They bought a breathalyzer in 2019 to test the NP's alcohol level before every shift, according to the complaint. On Nov. 4, 2019, the NP called in "sick, hungover and otherwise impaired," but the defendants allegedly sent a medical assistant to bring the NP to work at the AmeriHealth clinic.

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