

JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Thursday, August 23, 2018

Reliant to Pay \$6.1 Million to Settle False Claims Act Allegations That it Paid Kickbacks to Nursing Homes for Rehabilitation Therapy Business

Reliant Rehabilitation Holdings Inc. (Reliant), a national provider of rehabilitation therapy and related services headquartered in Plano, Texas, has agreed to pay the United States \$6.1 million to resolve allegations that it violated the False Claims Act (FCA), 31 U.S.C. §3729, et seq., by paying kickbacks to skilled nursing facilities and physicians in connection with care provided to Medicare beneficiaries as a way of improperly promoting Reliant's rehabilitation therapy business, the Justice Department announced today.

The United States alleged that between April 1, 2013, and May 1, 2017, Reliant knowingly offered improper inducements, in the form of Reliant-employed nurse practitioners who worked at client nursing homes without charge or for a nominal, below fair market fee in order to induce or reward nursing homes for contracting with Reliant to provide rehabilitation therapy for their residents. The settlement between the United States and Reliant resolves this claim, as well as a separate allegation that Reliant violated the FCA by causing the submission of claims to Medicare that were tainted by improper contracts between Reliant and physicians working at skilled nursing facilities that offered the physicians above fair market compensation for supervising and collaborating with Reliant nurse practitioners in exchange for the facilities' therapy business.

"The Justice Department is committed to investigating and routing out any improper financial relationships between health care providers that have the potential to undermine patient care and trust," said Acting Assistant Attorney General Chad A. Readler for the Justice Department's Civil Division. "This settlement demonstrates our commitment to protecting the integrity of the Medicare program."

"Companies that work to secure patient referrals by providing kickbacks inject improper financial considerations into our healthcare system," said United States Attorney Erin Nealy Cox for the Northern District of Texas. "Today's settlement demonstrates our determination to thwart such improper inducements — whether they take the form of cash payments or free services."

"Paying illegal remuneration to nursing homes and doctors to increase the bottom line — as contended by the government in this case — is unacceptable as it too often sacrifices the best interests of patients to profit-making schemes," said CJ Porter, Special Agent in Charge for the Office of Inspector General of the U.S. Department of Health and Human Services. "Patients and taxpayers deserve better."

The allegations resolved by the settlement agreement were originally brought by Dr. Thomas Prose under the qui tam, or whistleblower, provisions of the False Claims Act, which permit private citizens with knowledge of fraud against the government to bring an action on behalf of the United States and to share in any recovery. Dr. Prose will receive approximately \$915,000 of the settlement proceeds.

The case was handled by the Justice Department's Civil Division and the U.S. Attorney's Offices for the Northern District of Texas. Investigative assistance was provided by the U.S. Department of Health and Human Services Office of Inspector General.

The lawsuit is captioned *United States ex rel. Prose v. Reliant Rehabilitation, Civil Action No. 3:16-CV-0707-D (N.D. Tex.)*. The claims settled by this agreement are allegations only, and there has been no determination of liability.

Topic(s):

False Claims Act

Component(s):

Civil Division

USAO - Texas, Northern

Press Release Number:

18-1101

Updated August 23, 2018