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COMPLIANCE & POLICY REPORT

Compliance and Regulatory Analysis for Lab Directors and Managers

Feds Bring 18 Charges in Covid Crackdown, Lab Implicated

The Department of Justice on April 20 announced criminal charges against 18 defendants in nine federal districts for their alleged participation in various fraud schemes involving healthcare services that exploited the Covid-19 pandemic and allegedly resulted in more than \$490 million in Covid-19 related false billings.

In the Central District of California, a lab owner was charged for allegedly submitting more than \$358 million in false and fraudulent claims to Medicare, the Health Resources and Services Administration (HRSA) and a private insurance company. The indictment alleges the defendant's lab performed Covid-19 screening testing for nursing homes and other facilities with vulnerable elderly populations, as well as primary and secondary schools. But to increase its reimbursements, the defendant allegedly added claims for respiratory pathogen test panels even though ordering providers and facility administrators did not want or need them.

Charges also have been brought against suppliers of Covid-19 over-the-counter tests who allegedly repeatedly supplied patients with dozens of Covid-19 tests that they did not want or need.

The charges come weeks after the White House announced it was seeking congressional approval for a \$1.6 billion plan to deal with Covid-related fraud.

"The charges demonstrate that the federal government continues to focus on Covid-19 healthcare fraud, which is no surprise given the large volume of funds distributed as a result of Covid-19," says Karen Lovitch, chair of the Health Law Practice at Mintz Levin (Washington, D.C.). "One matter involved allegations of criminal fraud related to the uninsured program administered by HRSA, and we are likely to see more of those cases announced in the months ahead."

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