

WHISTLEBLOWER LAW COLLABORATIVE

DURRELL LAW OFFICE AND THOMAS & ASSOCIATES

Government Settles Kickback Case Against MedNet; Whistleblower Suit Brought Under the False Claims Act Alleged Inducements Paid for Doctors to Use Cardiac Monitoring Services

For Immediate Release

BOSTON – November 16, 2016 – Attorneys Suzanne E. Durrell and Robert M. Thomas, Jr. of the Whistleblower Law Collaborative are pleased to announce that the United States has settled a federal False Claims Act case brought against MedNet Healthcare Technologies, Inc. (“MedNet”) a subsidiary of BioTelemetry, Inc., by a whistleblower client of Ms. Durrell and Mr. Thomas.

MedNet operates as an Independent Diagnostic Testing Facility (“IDTF”) providing remote cardiac monitoring services under exclusive supplier agreements with health care providers such as physicians and hospitals. Under the terms of the settlement, MedNet has agreed to pay \$1,350,000 to resolve allegations that prior to being acquired by BioTelemetry in February 2014, MedNet aggressively marketed to providers the financial advantage of what it called “Split Bill Medicare and Fee for Service for Private Payors” -- arrangements intended to induce doctors to use MedNet’s cardiac monitoring services because it would be more profitable to the provider than using the services of a competitor of MedNet.

The whistleblower complaint filed in September 2014 in U.S. District Court in Newark, New Jersey alleged that MedNet acted and conspired to establish a fraudulent billing scheme through which it provided kickbacks to physicians and health care providers as an inducement to gain referrals for cardiac monitoring services reimbursed by Government Health Care Programs such as Medicare, in violation of the Medicare-Medicaid Anti-Kickback Statute. As a result, MedNet violated the Federal False Claims Act when the services were charged to Medicare. This scheme enabled MedNet to gain market share from its competitors and realize greater profits.

Under the False Claims Act, a private citizen (known as a “relator”) who suspects or knows of fraud against the government can file a sealed complaint on behalf of the government. If the case is successful, the relator is entitled to a share of the government’s recovery. Commenting on the importance of the case, Ms. Durrell and Mr. Thomas noted: “We commend our client for coming forward. Whistleblowers are vitally important to the fight against health care fraud. Kickbacks are insidious and undermine the integrity of the Medicare Program by tainting a provider’s medical judgment. Services provided to a patient should be based on his or her provider’s independent medical judgment, not on which service or product will be more profitable to the doctor or hospital. Kickbacks have no place in Medicare.”

Ms. Durrell and Mr. Thomas acknowledge the outstanding work of the U.S. Attorney's Office, particularly Assistant U.S. Attorney Bernard Cooney, who prosecuted this case thoughtfully, efficiently, and professionally, with the assistance of Assistant U.S. Attorney Nicole Mastropieri. "Bringing a case to the finish line in two years, from filing to settlement, is not easy and doesn't happen without aggressive and competent lawyering. Too often False Claims Act cases take longer than they should. We greatly appreciate how well our client's case was handled by the U.S. Attorney's Office," Ms. Durrell and Mr. Thomas said. They further commended the investigative support provided by the Office of Inspector General of the Department of Health and Human Services and the Federal Bureau of Investigation.

Also key to the success of the case was the excellent support provided to Ms. Durrell and Mr. Thomas by their local counsel, Neil S. Cartusciello and James A. Kozachek of Cartusciello & Kozachek, LLC in Bordentown, New Jersey.

A copy of the U.S. Attorney for the District of New Jersey press release is [attached](#).

The Whistleblower Law Collaborative based in Boston combines the practices of Mr. Thomas and Ms. Durrell, two pre-eminent whistleblower attorneys, both recognized nationwide for successfully working with government prosecutors and investigators and for achieving successful results for their clients for over a decade. Among the health care fraud case settlements involving their clients' cases are Amedisys (\$150 million) (co-counsel), North Atlantic Medical Services, Inc. (\$852,378), WellCare Health Plans (\$137.5 million), Amgen (\$762 million), International Nephrology Network (\$15 million), Elan/Eisai (\$214.5 million), Forest Labs (\$330 million) (co-counsel), Pfizer (\$2.3 billion), and Serono (\$704 million).

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