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THE UNITED STATES ATTORNEY'S OFFICE  
NORTHERN DISTRICT *of* GEORGIA

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**Department of Justice**

U.S. Attorney's Office

Northern District of Georgia

FOR IMMEDIATE RELEASE

Friday, July 10, 2020

**Universal Health Services, Inc. and related entities to pay  
\$122 million to settle False Claims Act allegations relating  
to medically unnecessary inpatient behavioral health  
services and illegal kickbacks**

ATLANTA - Universal Health Services, Inc., UHS of Delaware, Inc.(together, UHS), and Turning Point Care Center, LLC (Turning Point), a UHS facility located in Moultrie, Georgia, have agreed to pay a combined total of \$122 million to resolve alleged violations of the False Claims Act for billing for medically unnecessary inpatient behavioral health services, failing to provide adequate and appropriate services, and paying illegal inducements to federal healthcare beneficiaries, the Department of Justice announced today. UHS owns and provides management and administrative services to nearly 200 acute care inpatient psychiatric hospitals and residential psychiatric and behavioral treatment facilities nationwide. UHS is headquartered in King of Prussia, Pennsylvania.

"Illegal inducements should never play a role in a patient's decision regarding treatment, especially when a patient is seeking care for addiction and other behavioral health needs," said Byung J. "BJay" Pak, U.S. Attorney for the Northern District of Georgia. "Our office remains committed to pursuing unlawful arrangements that undermine the integrity of federal healthcare programs."

"The Department of Justice is committed to protecting patients and taxpayers by ensuring that the treatment provided to federal healthcare beneficiaries is reasonable, necessary, and free from illegal inducements," said Acting Assistant Attorney General Ethan P. Davis for the Department of Justice's Civil Division. "The Department will continue to be especially vigilant when vulnerable patient populations are involved, like those served by behavioral healthcare providers."

"Providing top quality health care to service members and their beneficiaries is the primary mission of the Defense Health Agency. It's unfortunate a company tried to take advantage of a

system that ensures health care for those men and women who are on the front lines every day protecting our nation," said Lt. Gen. Ronald Place, director, DHA. "We commend the Department of Justice and its partners for bringing justice to those responsible for knowingly defrauding TRICARE beneficiaries."

"VA OIG continues to be vigilant in holding those accountable who defraud VA programs and ensure that tax payer dollars are appropriately utilized for the care of our nation's veterans and their dependents. Also, we thank our law enforcement partners and the United States Attorney's Office for their support," said Acting Special Agent in Charge Jeffrey Stachowiak, Department of Veterans Affairs, Office of Inspector General.

"The OPM OIG does not tolerate predatory behavior that risks the health and safety of vulnerable patients," said Thomas W. South, Deputy Inspector General for Investigations for the Office of Personnel Management. "We are grateful for the fine work of our investigators and Department of Justice partners. Today's settlement demonstrates OPM-OIG's unwavering commitment to investigating conduct that affects vulnerable FEHBP enrollees."

"Protecting the health and safety of Medicare and Medicaid patients is one of our primary concerns. Our Corporate Integrity Agreement provides future protection for patients and federal health care programs through controls and monitoring designed to ensure that UHS's behavioral health facilities provide quality services and medically necessary care to patients," said Gregory E. Demske, Chief Counsel to the Inspector General for the United States Department of Health and Human Services. "This case demonstrates that the government will aggressively pursue allegations of substandard inpatient care."

As part of a comprehensive civil settlement, UHS will pay the United States and participating states a total of \$117 million to resolve allegations that its hospitals and facilities knowingly submitted false claims for payment to the Medicare, Medicaid, TRICARE, Department of Veterans Affairs, and Federal Employee Health Benefit programs for inpatient behavioral health services that were not reasonable or medically necessary and/or failed to provide adequate and appropriate services for adults and children admitted to UHS facilities across the country.

In a separate civil settlement, Turning Point will pay the United States and the State of Georgia \$5 million to resolve allegations that it provided free or discounted transportation services to induce Medicare and Medicaid beneficiaries to seek treatment at Turning Point's inpatient detoxification and rehabilitation program or intensive outpatient program.

The government alleged that, between January 2006, and December 2018, UHS's facilities admitted federal healthcare beneficiaries who were not eligible for inpatient or residential treatment because their conditions did not require that level of care, while also failing to properly discharge appropriately admitted beneficiaries when they no longer required inpatient care. The government further alleged that UHS's facilities billed for services not rendered, billed for improper and excessive lengths of stay, failed to provide adequate staffing, training, and/or supervision of staff, and improperly used physical and chemical restraints and seclusion. In addition, UHS's facilities allegedly failed to develop and/or update individual assessments and treatment plans for patients, failed to provide adequate discharge planning, and failed to provide required individual and group therapy services in accordance with federal and state regulations.

Of the \$117 million to be paid by UHS to resolve these claims, the federal government will receive a total of \$88,124,761.27, and a total of \$28,875,238.73 will be returned to individual states, which jointly fund state Medicaid programs.

With respect to Turning Point, the government alleged that, from January 2007 until May 1, 2019, the facility provided free or discounted transportation services to Medicare and Medicaid beneficiaries to induce them to seek detoxification and rehabilitation treatment at Turning Point's inpatient or intensive outpatient programs.

The government's settlement with UHS resolves 18 cases pending in the Eastern District of Pennsylvania, Western District of Michigan, the Eastern District of Michigan, and Northern District of Georgia under the qui tam, or whistleblower, provision of the False Claims Act, which permit private parties to file suit for false claims on behalf of the United States and to share in any recovery. The whistleblower share of the federal portion of the settlement will be \$15,862,457.03. The settlement with Turning Point resolves an additional qui tam lawsuit filed in the Northern District of Georgia. The whistleblower in that suit will receive \$861,853.64, from the federal share of the Turning Point settlement.

Contemporaneous with the civil settlements announced today, UHS, on behalf of its inpatient acute and residential behavioral health facilities, has entered into a Corporate Integrity Agreement with the U.S. Department of Health and Human Services, Office of Inspector General (OIG), which will remain in effect for five years. UHS must retain an independent monitor, selected by the OIG, which will assess UHS's Behavioral Health Division's patient care protections and report to the OIG. In addition, an independent review organization will perform annual reviews of UHS's inpatient behavioral health claims to federal health care programs.

The settlement with UHS was the result of a collaborative effort among numerous federal and state agencies. The Commercial Litigation Branch of the Department of Justice's Civil Division and the U.S. Attorney's Office for the Eastern District of Pennsylvania handled the cases, with substantial assistance from the U.S. Attorneys' Offices for the Middle District of Florida, the Northern District of Georgia, the Eastern District of Michigan, the Western District of Michigan, the Middle District of Georgia, the Northern District of Illinois, the Middle District of North Carolina, the Western District of North Carolina, the District of Oregon, the Middle District of Pennsylvania, the Southern District of Texas, the District of Utah, the Eastern District of Virginia, the Western District of Virginia, the Northern District of Oklahoma, and the District of Wyoming, as well as the National Association of Medicaid Fraud Control Units (NAMFCU). The Civil Division and NAMFCU coordinated the nationwide investigation of UHS in partnership with the Office of Inspector General for the Department of Health and Human Services; the Department of Defense Criminal Investigative Service; the Department of Veterans Affairs, Office of Inspector General; the Office of Personnel Management, Office of Inspector General; and the Federal Bureau of Investigation. The Civil Division's Commercial Litigation Branch and the U.S. Attorney's Office for the Northern District of Georgia handled the Turning Point matter with assistance from the Office of Attorney General of Georgia and the Office of Inspector General for the U.S. Department of Health and Human Services.

The civil settlement with UHS resolved the following captioned cases: United States ex rel. Gardner v. Universal Health Services, Inc., 2:17-cv-03332-AB (E.D. Pa.); United States ex rel.

Naylor v. Universal Health Services, Inc., 2:14-cv-06198-AB (E.D. Pa.); United States ex rel. Jain v. Universal Health Services, Inc., et al., No. 2:13-cv-06499-AB (E.D. Pa.); United States ex rel. Chisholm v. Universal Health Services, Inc., et al., 2:17-cv-01892-AB (E.D. Pa.); United States ex rel. Doe, et al. v. Universal Health Services, Inc., et al., No. 2:14-cv-00921 (E.D. Pa.); United States ex rel. Pate v. Behavioral Hospital of Bellaire, et al., 2:15-cv-00554-AB (E.D. Pa.); United States ex rel. Brinson, et al. v. Universal Health Services, Inc., et al., 2:14-cv-07275-AB (E.D. Pa.); United States ex rel. Mitchell v. Turning Point Care Center, Inc., et al., 2:15-cv-00259-AB (E.D. Pa.); United States ex rel. Peterson v. Universal Health Services, Inc., et al., 2:17-cv-01897-AB (E.D. Pa.); United States ex rel. Conaway, et al. v. Universal Health Services, Inc., et al., 2:17-cv-02233-AB (E.D. Pa.); United States ex rel. Eborall v. Universal Health Services, Inc., et al., 2:17-cv-03249-AB (E.D. Pa.); United States ex rel. Sachs, et al. v. Universal Health Services, Inc., et al., 2:17-cv-03604-AB (E.D. Pa.); United States ex rel. Klotz v. Universal Health Services, Inc., et al., 2:17-cv-05163-AB (E.D. Pa.); United States ex rel. Brockman, et al. v. Universal Health Services, Inc., et al., 2:17-cv-05350-AB (E.D. Pa.); United States ex rel. Glass v. Hughes Center, LLC, et al., 2:18-04018-AB (E.D. Pa.); United States ex rel. Parent-Leonard v. Forest View Psychiatric Hospital, et al., No. 1:18-cv-1426 (W.D. Mich.); United States ex rel. Russell, et al. v. Universal Healthcare Services, Inc., et al., No. 1:19-CV-0764 (N.D. Ga.); United States ex rel. McLauchlin, et al. v. Havenwyck Holdings, Inc., et al., No. 2:19-cv-10832 (E.D. Mich.).

Assistant U.S. Attorney Mellori Lumpkin-Dawson represented the United States in the case captioned United States ex rel. Russell, et al. v. Universal Healthcare Services, Inc., et al., No. 1:19-CV-0764 (N.D. Ga.) .

The settlement with Turning Point resolved the case captioned United States ex rel. Heatley v Turning Point Care Center LLC, et al., 1:17-CV-3869-MLBAT (N.D. Ga.).

The claims resolved by the settlements are allegations only, and there has been no determination of liability.

This case was handled by Assistant U.S. Attorney Austin Hall for the Northern District of Georgia.

For further information, please contact the U.S. Attorney's Public Affairs Office at [USAGAN.PressEmails@usdoj.gov](mailto:USAGAN.PressEmails@usdoj.gov) or (404) 581-6016. The Internet address for the U.S. Attorney's Office for the Northern District of Georgia is <http://www.justice.gov/usao-ndga>.

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**Topic(s):**

Consumer Protection  
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