

THE UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT *of* PENNSYLVANIA

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Department of Justice

U.S. Attorney's Office

Eastern District of Pennsylvania

FOR IMMEDIATE RELEASE

Thursday, October 14, 2021

U.S. Attorney Announces Four Additional Enforcement Actions as Part of Data-Driven National Effort to Combat P-Stim Fraud Scheme and Recover Millions

PHILADELPHIA – Acting United States Attorney Jennifer Arbittier Williams announced three settlements and the filing of a complaint under the False Claims Act in the Eastern District of Pennsylvania. These are the latest actions in the national investigation into the scheme of improper billing involving P-Stim electro-acupuncture devices. P-Stim is also branded as, among other things, ANSiStim, Stivax, NeuroStim, and NSS-2 Bridge. Federal healthcare programs do not reimburse for P-Stim devices, whether they are characterized as an electro-acupuncture device or as an implantable neuro-stimulator. This District has helped lead the national Department of Justice effort to apply analytics to healthcare claims data to identify providers who have fraudulently billed federal healthcare programs for P-Stim services. As detailed below, this District and others have pursued and settled various False Claims Act cases against P-Stim providers, recovering millions.

The four enforcement actions announced today involve certain parties who sold P-Stim devices and/or promoted them as billable to Medicare and other federal healthcare programs, which then caused providers to submit fraudulent claims. The United States alleges that these promoters profited by conspiring together to make false representations to providers that P-Stim was reimbursable under billing codes that paid thousands of dollars per procedure. Those codes were meant for legitimate, surgically implanted neuro-stimulators to manage chronic pain. However, P-Stim devices can be applied in a few minutes in an office setting without anesthesia by someone with minimal training. The promoters allegedly had knowledge that the P-Stim devices were not reimbursable by federal healthcare programs but pushed the non-surgical devices anyway.

The three settlements announced today are all pursuant to DOJ's inability to pay policy:

1. Mark Kaiser of Bradenton, Florida, and his company, Doc Solutions, LLC, have paid \$1.15 million; and
2. James Carpenter of Rockledge, Florida, and his company, Solace Advancement Institute, have paid \$150,000; and
3. Aaron Oxenrider of Carmel, Indiana, and his company Baron, Inc., doing business as Access 2 Integration (known commonly as A2I) have paid \$54,150.

The parties involved in these settlements also agreed to exclusions from federal healthcare programs, with 20-year exclusions for the Kaiser and Carpenter parties and a 7-year exclusion for the Oxenrider parties.

In a related case, today the United States filed a complaint in the Eastern District of Pennsylvania against Timothy Warren of Wichita, Kansas, and his company, Titan Medical Compliance, LLC, alleging violations of the False Claims Act. Warren is a chiropractor who promoted himself as a medical reimbursement consultant. Various marketers and distributors of P-Stim devices paid Warren a monthly fee, including Kaiser, to provide coding recommendations to customers. Certain providers also paid Warren directly for his coding guidance. Beginning in 2014, Warren promoted P-Stim devices as reimbursable by Medicare and other federal healthcare programs and provided instructions on what codes to bill. But, as detailed in the Complaint, the United States alleges that Warren had knowledge that he was providing incorrect advice: Warren knew that P-Stim was not reimbursable by federal healthcare programs because it was acupuncture, and not a surgically implanted neuro-stimulator. The United States alleges that Warren caused providers to submit to the federal Medicare and TRICARE programs thousands of fraudulent claims for P-Stim devices worth at least \$20 million dollars.

“Our office has led the national charge to hold alleged fraudsters accountable for this P-Stim scheme,” said Acting U.S. Attorney Williams. Acting U.S. Attorney Williams continued: “Those who cause false claims by marketing alleged fraud schemes are also responsible for the tainted claims paid by federal health insurers. Working with our partners and using innovative investigative tools like data analytics, we will find those who peddle and profit from alleged false healthcare schemes like P-Stim—and, as the complaint filed today shows, we will fight you in court if needed.”

This ongoing national effort to identify and combat P-Stim fraud is a collaboration between this District, the Centers for Medicare & Medicaid Services’ (“CMS”) Center for Program Integrity, the Department of Health and Human Services Office of Inspector General (“HHS-OIG”), other federal healthcare programs, state partners, and sister U.S. Attorney’s Offices around the country.

Including the three settlements announced today, the national P-Stim initiative has so far produced over 15 False Claims Act settlements across the country worth approximately \$15 million—of which, 8 settlements worth over \$3 million have come from this District. (Previous press releases are linked below.) Additionally, outside of DOJ litigation, there are administrative enforcement actions by other federal agencies as well. In particular, CMS, through its Unified Program Integrity Contractors, is auditing and recovering improperly paid P-Stim claims. HHS-OIG is also pursuing civil money penalties and exclusion remedies.

“CMS is dedicated to removing fraudulent actors and protecting the people who rely on our programs,” said CMS Administrator Chiquita Brooks-LaSure. “We thank our partners at the Department of Justice and Department of Health and Human Services Office of Inspector General for collaborating with us to identify, investigate, and eliminate waste, fraud, and abuse in our federal health care programs.”

“Accurately billing for services provided to Medicare beneficiaries is required of all health care providers,” said Maureen R. Dixon, Special Agent in Charge for the U.S. Department of Health and Human Services, Office of the Inspector General, Region III. “HHS-OIG, CMS’s Center for Program Integrity, and the U.S. Attorney’s Office will continue to evaluate and pursue inaccurate billings of P-Stim and similar devices.”

All civil claims, including the settled claims, are allegations only. There has been no determination of civil liability. The cases in this District have been investigated by the U.S. Department of Health and Human Services Office of the Inspector General. They have been handled by Assistant U.S. Attorneys Deborah W. Frey and Matthew E. K. Howatt, as well as former Assistant U.S. Attorney John T. Crutchlow, Civil Chief Gregory B. David, Auditor Dawn Wiggins, and Investigator Frank O’Connor.

Prior DOJ press releases related to the P-Stim Initiative:

- Eastern District of Pennsylvania

- <https://www.justice.gov/usao-edpa/pr/two-pa-chiropractic-practices-pay-over-800000-resolve-alleged-false-claims-act>
 - <https://www.justice.gov/usao-edpa/pr/neurosurgeon-medical-practice-director-pay-over-1-million-resolve-false-claims-act>
 - <https://www.justice.gov/usao-edpa/pr/chiropractor-and-related-practice-pay-nearly-100000-resolve-false-claims-act-liability>
 - <https://www.justice.gov/usao-edpa/pr/doctor-and-physician-practice-pay-178000-resolve-false-claims-act-liability-arising>

 - Southern District of Texas
 - <https://www.justice.gov/usao-sdtx/pr/katy-anesthesiologist-pays-settle-allegations-arising-electro-acupuncture-device>
 - <https://www.justice.gov/usao-sdtx/pr/katy-anesthesiologist-pays-settle-allegations-arising-electro-acupuncture-device>

 - Eastern District of Texas
 - <https://www.justice.gov/usao-edtx/pr/texas-company-agrees-reimburse-medicare-improper-billing-related-neurostimulators>

 - Western District of Texas
 - <https://www.justice.gov/usao-wdtx/pr/healthcare-practitioners-pay-over-1-million-resolve-false-claims-act-liability-arising>

 - Middle District of Tennessee
 - <https://www.justice.gov/usao-mdtn/pr/united-states-and-tennessee-resolve-claims-three-providers-false-claims-act-liability>
 - <https://www.justice.gov/usao-mdtn/pr/comprehensive-pain-specialists-and-former-owners-agree-pay-41-million-settle-fraud>

 - Southern District of Georgia
 - <https://www.justice.gov/usao-sdga/pr/government-obtains-more-5-million-judgments-resolve-healthcare-fraud-allegations>
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Topic(s):

False Claims Act

Component(s):

Antitrust Division

USAO - Pennsylvania, Eastern

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