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Middle District of Georgia

FOR IMMEDIATE RELEASE

Thursday, June 2, 2022

Judge Orders Middle Georgia Family Rehab to Pay \$9.6 Million in Damages for Submitting Hundreds of Fraudulent TRICARE/Medicaid Claims

MACON, Ga. – The District Court for the Middle District of Georgia found in favor of the United States and the State of Georgia in a civil case involving the fraudulent billing of hundreds of TRICARE and Medicaid claims by a Macon health care facility, ordering the defendants to pay \$9,617,679.22 in damages and penalties.

U.S. District Judge Tilman E. “Tripp” Self, III issued the judgment following an evidentiary hearing in *U.S. v. Middle Georgia Family Rehab (MGFR)* on Tuesday, May 24. The judgment was entered today.

“The ‘reckless disregard’ displayed by Middle Georgia Family Rehab in its billing should serve as a warning to other health facilities across Georgia—and the nation—that filing improper and false claims will come with hefty consequences,” said U.S. Attorney Peter D. Leary. “Middle Georgia Family Rehab reaped hundreds of thousands of dollars from taxpayers by improperly filing claims with agencies designated to provide physical therapy and speech therapy services to children and military families. A strong team effort from our Civil Division and its investigative partners resulted in a significant judgment against Middle Georgia Family Rehab which reinforces that our community’s most deserving patients are entitled to quality health care services.”

“Providers who undermine the integrity of the Department of Defense health care system for their own selfish gain must be held accountable,” said Special Agent in Charge Cynthia A. Bruce, DoD Office of Inspector General, Defense Criminal Investigative Service (DCIS), Southeast Field Office. “DCIS and our investigative partners will aggressively pursue those who divert funds intended for military families.”

“When Medicaid providers fraudulently divert funds for personal gain, not only does it undermine the needs of those who are most vulnerable, but the taxpayers of Georgia are harmed as well,” said Georgia Attorney General Chris Carr. “Middle Georgia Family Rehab was charged with providing trusted health services to our military families and children in-need, and it failed to fulfill its responsibilities by instead choosing to exploit the system. This type of deceptive behavior is entirely unacceptable, and those who abuse our publicly-funded health care programs will be held accountable.”

U.S. District Judge Self initially granted partial summary judgment in this False Claims Act case on Wednesday, April 20. According to court documents, in that decision, the Court determined that approximately 800 false claims for services were improperly billed to Medicaid and TRICARE by MGFR and MGFR owner Brenda Hicks. Those improper services were billed under the names of a physical therapist and a speech therapist who were no longer employed by MGFR and therefore could not possibly have provided the services in question.

In analyzing the question of whether MGFR knowingly submitted the false claims, the Court found that MGFR's conduct "epitomizes 'reckless disregard' of the truth." (ECF No. 52 at 30.) Specifically, the Court found that MGFR's submission of almost 800 claims to Medicaid and TRICARE over an eight-month period following the resignation of one physical therapist and the submission of 41 claims following the resignation of a speech therapist could not be characterized as an "honest mistake." (ECF No. 52 at 30.)

Assistant U.S. Attorneys Bowen Reichert Shoemaker and Taylor McNeill in the Civil Division are handling this case on behalf of the United States, with assistance from Senior Assistant Attorney General Rick Tangum, Assistant U.S. Attorney Todd Swanson, and Investigators Scott Jones and Shaketia Morgan, along with investigators from the Georgia Medicaid Fraud Control Division, U.S. Department of Defense, U.S. Department of Health and Human Services and the Department of Veterans Affairs.

Topic(s):

Financial Fraud

Health Care Fraud

Component(s):

USAO - Georgia, Middle

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