

False Claims Act Settlement Reached with Rockingham Health Care Provider

Wednesday, May 17, 2023

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For Immediate Release

U.S. Attorney's Office, Middle District of North Carolina

GREENSBORO – United States Attorney Sandra J. Hairston announced today that Compassionate Counseling Services, LLC (“Compassionate”), a behavioral health provider located in Rockingham, North Carolina, has agreed to pay \$150,000 to settle civil claims under the Federal and North Carolina False Claims Acts concerning allegations that Compassionate caused the submission of false claims to the North Carolina Medicaid program.

Specifically, the United States and the State of North Carolina alleged that from June 7, 2016 through January 8, 2021, Compassionate circumvented North Carolina Medicaid requirements by improperly submitting claims for Diagnostic Assessments and also by improperly submitting claims following those Diagnostic Assessments. Under North Carolina Medicaid rules and regulations, Diagnostic Assessments serve as the initial order to establish medical necessity for certain treatment services: they must be signed and dated by certain professionals and serve as the initial order for services to take place.

The governments alleged that Compassionate employed only one such authorized professional to sign Diagnostic Assessments, who only worked on-site at Compassionate’s office location on the third Friday of each month and could not have provided the required signatures until then. The governments alleged that Compassionate circumvented the Diagnostic Assessment requirements by billing for, but failing to maintain, Diagnostic Assessments that were properly signed and dated by a required professional, while also engaging in the improper backdating of Diagnostic Assessments. As a result of failing to maintain properly signed and dated Diagnostic Assessments, the governments alleged that Compassionate failed to maintain documents supporting that the Diagnostic Assessments were properly rendered as claimed. The governments also alleged that Compassionate was unable to support

medical necessity for services that were claimed as being rendered following the Diagnostic Assessments that were improperly billed without signature from a required professional.

“Healthcare providers who choose to circumvent rules and regulations for an increase in their profits cause harm to our government healthcare programs and the populations they serve,” said United States Attorney Sandra J. Hairston. “My office will continue to hold such providers accountable for their actions to protect the integrity of our government sponsored healthcare programs, for North Carolina Medicaid recipients, and taxpayers.”

“Health care providers that receive Medicaid resources need to use those resources properly,” said Attorney General Josh Stein. “When providers fail to responsibly steward taxpayer dollars, my office will hold them accountable. I’m grateful to U.S. Attorney Hairston and her office for their continued partnership to protect health care resources.”

The civil claims resolved by settlement here are allegations only. There has been no judicial determination of wrongdoing or admission of liability, and Compassionate denies the allegations.

This matter was investigated by the United States Attorney’s Office for the Middle District of North Carolina and the Medicaid Investigations Division of the North Carolina Attorney General’s Office (“MID”). Special Deputy Attorney General Matthew R. Petracca, who also serves as a Special Assistant United States Attorney, represented the United States and the State of North Carolina.

The United States Attorney’s Office for the Middle District of North Carolina, in partnership with law enforcement agencies and state entities, investigates and prosecutes healthcare providers that defraud government programs, including Medicare and Medicaid, and abuse their patients. The Medicaid Investigations Division investigates and prosecutes Medicaid fraud, patient abuse of Medicaid recipients, patient abuse of any patient in facilities that receive Medicaid funding, and misappropriation of any patients’ private funds in nursing homes that receive Medicaid funding.

To report Medicare fraud or patient abuse in North Carolina, please visit the United States Department of Health and Human Services’ website at <https://oig.hhs.gov/fraud/> or call 800-HHS-TIPS (800-447-8477). To report Medicaid fraud or patient abuse in North Carolina, please call the MID at 919-881-2320.

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