

PRESS RELEASE

# Durable Medical Equipment Companies to Pay Millions in False Claims Settlement

Friday, January 26, 2024

## For Immediate Release

U.S. Attorney's Office, District of South Carolina

**COLUMBIA, S.C.** — [Durable Medical Equipment](#) (DME) companies Hill-Rom Holdings, Inc., Hill-Rom Company, Inc., Hill-Rom Services, Inc., and Advanced Respiratory Inc. (collectively, Hillrom) have agreed to pay \$2.1 million to resolve allegations that the companies violated the False Claims Act by submitting false claims for payment to the Medicare, TRICARE, Department of Veterans Affairs, and Medicaid programs.

The settlement reached this week resolves allegations that, from January 1, 2011, through December 1, 2019, Hillrom's Direct to Consumer division sold used Clinitron, TotalCare, and VersaCare beds but billed federal healthcare programs as if they were new beds. Also included in the settlement are allegations that Hillrom sold certain hospital beds and pressure support surfaces to beneficiaries of federal healthcare programs under a miscellaneous code, which sometimes resulted in a higher price paid by the government. The third allegation involves Hillrom's presenting claims to the federal government and its contractors that mischaracterized travel time as DME repair time in order for it to be reimbursable by federal healthcare programs. Baxter International purchased Hillrom after the allegations involved in the settlement, and the division involved in the alleged fraud is no longer operational.

"Millions of citizens depend on programs like Medicare and TRICARE for their healthcare," said Adair F. Boroughs, U.S. Attorney for the District of South Carolina. "Hillrom's actions damage our federal health programs and impact the families who need them."

"We expect health care providers who serve Medicare and Medicaid beneficiaries to refrain from harming the integrity of the programs on which their patients rely. Billing in any fashion that results in overpayment from the programs threatens that integrity," said

Special Agent in Charge Tamala Miles with the U.S. Department of Health and Human Services Office of Inspector General (HHS-OIG). "In coordination with fellow law enforcement agencies, HHS-OIG ceaselessly works to examine allegations involving inappropriate billing and HHS beneficiaries."

"Hill-Rom threatened the integrity of the Department of Defense's (DoD) TRICARE program by attempting to profit from false billing," said Special Agent in Charge Christopher Dillard, Department of Defense Office of Inspector General, Defense Criminal Investigative Service (DCIS), Mid-Atlantic Field Office. "Working closely with our law enforcement partners, DCIS will continue to thoroughly investigate and hold accountable all those who defraud or attempt to defraud Federal healthcare programs."

The civil settlement resolves a lawsuit brought under the qui tam or whistleblower provisions of the False Claims Act by Jeri Harris, a former employee of Hillrom. The False Claims Act permits private citizens with knowledge of fraud against the government to bring a lawsuit on behalf of the United States and to share in any recovery. The qui tam case is captioned United States ex rel. Harris v. Hill-Rom Holdings, Inc. et al., No. 19-cv-3081 (D. S.C.).

The resolution obtained in this matter was the result of a coordinated effort between the United States Attorney's Office for the District of South Carolina, the United States Department of Health and Human Services, Office of Inspector General; the United States Defense Criminal Investigative Service with assistance from the Defense Health Agency; and the Department of Veterans Affairs, Office of Inspector General.

This matter was handled by Assistant United States Attorney Nancy G. Cote of the District of South Carolina.

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

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*Updated January 29, 2024*

From the Joe Griffith Law Firm: The *qui tam* whistleblower, Jeri Harris, was represented by attorney Joseph P. Griffith, Jr. of Joe Griffith Law Firm, LLC. Griffith is based in Mt. Pleasant, South Carolina, and handles False Claims Act cases and *qui tam* law suits for frauds against the federal government.