



# NATIONAL ASSOCIATION OF MEDICAID FRAUD CONTROL UNITS

## **APRIA HEALTHCARE GROUP INC. AND APRIA HEALTHCARE LLC TO PAY \$40 MILLION TO RESOLVE FALSE CLAIMS ALLEGATIONS RELATED TO THE LEASING OF RESPIRATORY ASSIST DEVICES AND VENTILATORS**

The National Association of Medicaid Fraud Control Units (NAMFCU) announced on January 7, 2020 that 47 states and the District of Columbia joined with the federal government to reach an agreement with Apria Healthcare Group Inc. and Apria Healthcare LLC (“Apria”) to settle allegations that Apria submitted false claims to state Medicaid programs for the ongoing rental of non-invasive ventilators (NIV) that Medicaid beneficiaries were not using or that were not medically necessary. As part of the settlement, Apria will pay Medicare and other federal healthcare programs a total sum of \$40 million dollars of which \$4,812,000.00 will go toward reimbursing the Medicaid programs.

This settlement arises from a *qui tam* action filed in the United States District Court for the Southern District of New York (“SDNY”) in 2017 under the federal False Claims Act (“FCA”) and various state false claims statutes.

Specifically, the settlement resolves allegations that from January 1, 2014 through December 31, 2019, Apria violated the FCA by submitting false claims to State Medicaid programs to seek reimbursement for NIV rentals in certain circumstances: (i) when the NIVs were not medically necessary or reasonable due to the lack of continued use or continued need by the beneficiaries; or (ii) when certain NIV models, which were only to be used in a bi-level pressure support setting called Pressure Assist Control mode (“PAC mode”), were not medically necessary or reasonable.

A NAMFCU Team participated in the settlement negotiations on behalf of the states. The Team included representatives from the Offices of the Attorneys General for the states of California, Florida, Indiana, Pennsylvania, Texas, Virginia, and Washington.