



# NATIONAL ASSOCIATION OF MEDICAID FRAUD CONTROL UNITS

## **Universal Health Services, Inc. and UHS of Delaware, Inc. to Pay \$117 Million to Settle Allegations Involving Improper Admissions and Discharges at its Inpatient and Residential Psychiatric and Behavioral Health Care Facilities**

The National Association of Medicaid Fraud Control Units (NAMFCU) announced on July 10, 2020 that 49 states, the District of Columbia, and Puerto Rico have joined with the federal government to settle allegations of fraud against Universal Health Services, Inc. (“UHS, Inc.”), a for-profit holding company which directly or indirectly owns the assets or stock of inpatient and residential psychiatric and behavioral health facilities that provide services to individuals, including beneficiaries of various federal health care programs, and UHS of Delaware, Inc. (“UHS of Delaware, Inc.”), a subsidiary of UHS, Inc. which provides management services to UHS, Inc. and its subsidiaries (collectively, “UHS”). UHS is based in King of Prussia, Pennsylvania and is one of the nation’s largest providers of hospital and healthcare services. The total value of the settlement is \$117,000,000.

The settlement resolves allegations that during the period from January 1, 2007, through December 31, 2018, UHS and certain enumerated UHS entities submitted or caused to be submitted false claims for services provided to Medicaid beneficiaries resulting from UHS’s (i) admission of beneficiaries who were not eligible for inpatient or residential treatment, (ii) failure to properly discharge beneficiaries when they no longer needed inpatient or residential treatment, (iii) improper and excessive lengths of stay, (iv) failure to provide adequate staffing, training, and/or supervision of staff, (v) billing for services not rendered, (vi) improper use of physical and chemical restraints and seclusion; and (vii) failure to provide inpatient acute or residential care in accordance with federal and state regulations, including, but not limited to, failure to develop and/or update individualized assessments and treatment plans, failure to provide adequate discharge planning, and failure to provide required individual and group therapy.

This settlement results from eighteen whistleblower lawsuits originally filed in the United States District Court for the Middle District of Florida, Northern District of Illinois, Eastern District of Pennsylvania, Northern District of Georgia, Middle District of Georgia, Eastern District of Virginia, Western District of Virginia, Western District of Michigan, and Eastern District of Michigan. Fourteen of the eighteen whistleblower suits named at least one plaintiff state and all but three of the cases were transferred to the United States District Court for the Eastern District of Pennsylvania. A NAMFCU Team participated in the investigation and settlement negotiations on behalf of the states and included representatives from the Offices of the Attorneys General for the states of California, Florida, Indiana, Massachusetts, North Carolina, Ohio, Texas, and Virginia.

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