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Pediatric Services Company Pays More Than \$2.7 Million to Resolve Overpayment and Overcharging Claims

Georgia-based MassHealth Provider to Pay More than \$82,000 to Massachusetts for Knowingly Submitting False Claims for Home Nursing Services

BOSTON – A provider of home nursing services for severely disabled children has agreed to pay over \$2.7 million to settle allegations that it failed to return overpayments it received from state Medicaid programs and federally-insured health programs, and overcharged for home nursing services, Attorney General Maura Healey announced today.

The settlement with Georgia-based company, Pediatric Services of America, Inc., (PSA), was joined by 19 other states and the federal government to resolve civil allegations that the company unlawfully withheld overpayments and overcharged for nursing services by improperly rounding-up claims to the nearest whole hour.

"This provider deliberately misrepresented the nursing services it provided in order to receive more money from this state and others," AG Healey said. "I am pleased to have worked with state and federal law enforcement partners to ensure that these critical services are being represented accurately and provided properly for young patients who need it most."

PSA will pay the states and the federal government more than \$2.7 million dollars, of which more than \$2.4 million will go to the state Medicaid programs of Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Louisiana, Massachusetts, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Texas, Virginia and Washington and federally-insured health programs, including Tricare/TriWest and Medicare, between January 2007 and June 2013.

As part of the settlement, MassHealth will receive more than \$82,000.

Additionally, the settlement resolves allegations that between January 1, 2008 and October 31, 2014, PSA's locations in California, Colorado, Connecticut, Florida, Georgia, Louisiana, North Carolina, New York, Pennsylvania, South Carolina, Texas and Virginia knowingly submitted claims to those states' Medicaid programs for nursing services that overstated the length of time of the services delivered.

As a condition of the settlement, PSA will enter into a Corporate Integrity Agreement (CIA) with the United States Department of Health and Human Services, Office of the Inspector General which requires PSA to develop and implement procedures and reviews to avoid and promptly detect conduct similar to that which gave rise to this settlement.

The investigation resulted from a *qui tam* action originally filed in the United States District Court for the Southern District of Georgia under the federal False Claims Act and various state false claims statutes.

This case was investigated by the U.S. Attorney's Office for the Northern District of Georgia, the U.S. Attorney's Office for the Southern District of Georgia, the U.S. Department of Health and Human Services, and the Office of the Inspector General.

A National Association of Medicaid Fraud Control Units (NAMFCU) Team participated in the investigation and conducted the settlement negotiations with PSA on behalf of the states and included representatives from the Offices of the Attorneys General for the states of Massachusetts, Georgia, Virginia, Texas, Illinois, and Washington. Assistant Attorney General Steven Sharobem of AG Healey's Medicaid Fraud Division served as one of the principal negotiators on behalf of the states in connection with today's settlement.

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