



# Department of Justice

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## PENNSYLVANIA COMPANY TO PAY U.S. \$1.5 MILLION TO SETTLE FALSE CLAIMS ALLEGATIONS

WASHINGTON, D.C. - Highmark, Inc., an insurance company headquartered in Pittsburgh, will pay the United States \$1.5 million to settle potential civil claims under the False Claims Act, Assistant Attorney General Peter D. Keisler, head of the Justice Department's Civil Division and Mary Beth Buchanan, the United States Attorney for the Western District of Pennsylvania, announced today.

The settlement resolves allegations that employees of the company's Veritus division, a Medicare contractor, tampered with and altered Medicare files and claims information in an effort to improve scores on Medicare evaluations of the division's performance during the period from 1992 through 1994. Highmark had disclosed the suspected wrongdoing to the Department of Justice.

"The prosecution of this and similar actions reflects the Department's continuing commitment to ensure that Medicare contractors meet their responsibilities to the government's health care program," said Keisler.

"The Pittsburgh area is one of the nation's leading medical centers and a major center for Medicare services. The integrity of the Medicare system is therefore extremely important to our region," said United States Attorney Mary Beth Buchanan. "My office will continue to work with the Civil Division in Washington to enforce high standards of integrity in the Medicare program."

In September 1998, Highmark paid \$38.5 million to settle claims that its corporate predecessor, Pennsylvania Blue Shield, violated the False Claims Act by obstructing Medicare audits of the company's performance as a federal health care program contractor by failing to properly process claims or recover overpayments and also failing to properly screen certain Medicare claims before payment.

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