



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, DECEMBER 13, 2004
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TDD (202) 514-1888

**UNITED HEALTHCARE INSURANCE AGREES TO PAY U.S.
\$3.5 MILLION TO SETTLE FRAUD CHARGES**

WASHINGTON, D.C. - United Healthcare Insurance Company has agreed to pay the United States \$3.5 million to settle allegations that the company defrauded the Medicare program, the Justice Department announced today.

The government alleges that beginning in or about 1996 and continuing through 2000, United Healthcare's telephone response unit knowingly mishandled certain phone inquiries received from Medicare beneficiaries and providers and then falsely reported its performance information to the Centers for Medicare and Medicaid Services (CMS) concerning the company's handling of those calls. CMS is the federal agency charged with administering the Medicare program.

From October 2, 1995 to October 1, 2000, United Healthcare acted under contract with CMS as a Durable Medical Equipment Regional Carrier. Under that contract, United Healthcare processed Medicare Part B claims for durable medical equipment submitted to it by Medicare beneficiaries, physicians, and other health care providers and suppliers located in the northeastern United States.

"This settlement demonstrates our continuing commitment to pursue vigorously allegations of fraud and abuse in Medicare," said Peter Keisler, Assistant Attorney General for the Department's Civil Division. "Medicare contractors, along with other health care providers, can and will be held accountable for their billing practices. This settlement demonstrates our unwavering pursuit of fraud and abuse."

The allegations of improper conduct were brought to the attention of the government by a former United Healthcare employee, who filed suit under seal in November 2001 under the *qui tam* or whistleblower provisions of the federal False Claims Act. The United States recently intervened in the whistleblower suit.

As a result of today's settlement, the whistleblower will receive \$647,500 of the settlement amount. United Healthcare did not admit any of the allegations in the complaint in connection with the settlement. Under the False Claims Act, private citizens can bring suit on behalf of the government and share in any awards that are obtained through that legal action.

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