



OIG NEWS

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OIG SETTLES LARGEST EVER CIVIL MONETARY PENALTY CASE

Lincare Pays \$10 Million and Signs 5-Year CIA To Resolve Allegations of Kickbacks and Self-Referral Violations

Washington, D.C. – Today Health and Human Services Inspector General Daniel R. Levinson announced that the Office of Inspector General (OIG) has entered into a Settlement Agreement and Corporate Integrity Agreement (CIA) with Lincare Holdings Inc. and its subsidiary Lincare Inc. (Lincare). The settlement resolves allegations that Lincare paid illegal kickbacks and violated the Physician Self-Referral (also known as Stark) Law. Under the settlement terms, Lincare, one of the nation's largest durable medical equipment suppliers, paid \$10 million and entered into a 5-year company-wide CIA. Today's settlement is the largest ever for OIG under its civil monetary penalty authorities.

OIG alleged that Lincare engaged in a nationwide scheme to pay physicians kickbacks to refer their patients to Lincare. Lincare gave referring physicians items such as sporting and entertainment tickets, gift certificates, rounds of golf, golf equipment, fishing trips, meals, advertising expenses, office equipment, and medical equipment. The illegal kickbacks also came disguised as payments pursuant to purported consulting agreements, such as Medical Director Agreements. OIG also alleged that Lincare violated the Self-Referral Law by accepting referrals from parties to the illegal consulting agreements.

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“This significant settlement is an important example of OIG’s continuing effort to eliminate illegal kickback practices and violations of the Self-Referral Law,” said Inspector General Daniel R. Levinson. “OIG will continue to pursue aggressively those who undermine the integrity of the Medicare program.”

Under the Civil Monetary Penalties Law, OIG may impose a penalty of up to \$50,000 per illegal kickback and damages of up to three times the amount of the kickback. Under the Self-Referral Law, OIG may impose a penalty of \$15,000 for each item or service that was billed to a Federal health care program pursuant to a prohibited referral as well as an assessment of up to three times the amount claimed. Under both the anti-kickback and self-referral provisions, OIG may exclude a provider for violations.

Lincare, which is headquartered in Clearwater, Florida, cooperated with OIG’s investigation that resulted in the settlement.

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