

South Carolina-based Harmony Care Hospice, Inc. and its owner and Chief Executive Officer have agreed to pay nearly \$1.3 million to settle allegations that the company submitted false claims to Medicare for patients under care at its hospice facilities. The United States Department of Justice announced the settlement of the qui tam (“whistleblower”) suit on November 21, 2012.

Medicare beneficiaries are entitled to hospice care only if they have a terminal prognosis of six months or less. The federal government alleged that Harmony submitted false claims for patients who did not have such a prognosis and thus were not eligible for hospice care. As a result, the government provided Medicare benefits for hospice care when it should not have borne that expense. The owner and Chief Executive Officer of Harmony, Daniel J. Burton, is individually liable for \$200,000 of the settlement amount.

The whistleblower lawsuit was filed by former Harmony employees under the whistleblower provisions of the False Claims Act. Under the False Claims Act, private citizens can bring suits for false claims on behalf of the United States and share in any recovery. The two whistleblowers, both former Harmony employees, will receive \$244,529.87 as their share of the government’s recovery.