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Department of Justice

U.S. Attorney's Office

District of South Carolina

FOR IMMEDIATE RELEASE

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South Carolina's Largest Urgent Care Provider and its Management Company to Pay \$22.5 Million to Settle False Claims Act Allegations

Columbia, South Carolina --- Acting United States Attorney for the District of South Carolina M. Rhett DeHart announced today that Doctors Care, P.A. ("Doctors Care") – South Carolina's largest urgent care provider network – and its management company, UCI Medical Affiliates of South Carolina, Inc. ("UCI"), will pay \$22.5 million to resolve civil allegations of healthcare fraud in violation of the False Claims Act.

The case began with a whistleblower complaint alleging that Doctors Care, UCI, and UCI Medical Affiliates, Inc. (a related holding company), falsely certified that certain urgent care visits were performed by providers who were credentialed to bill Medicaid, Medicare, and TRICARE for medical services. Whereas, the services were performed by non-credentialed providers, according to the complaint.

Federal health insurance companies require physicians and midlevel providers to apply for and receive approval to bill any services to the insurer. This approval is known as a provider's "billing credentials." Providers are obligated to renew these billing credentials periodically and must obtain new credentials with new employment.

As early as 2013 and continuing to 2018, it is alleged that UCI was unable to secure and maintain necessary billing credentials for most Doctors Care providers. UCI knew that federal insurance programs would deny claims submitted with the billing number of a provider who had not yet received their billing credentials. But instead of solving its credentialing problem – or holding claims while a temporary solution could be found – UCI allegedly submitted the claims falsely, "linking" the uncredentialed rendering providers to credentialed billing providers in order to get the claims paid.

With each "linked" bill, it is alleged that UCI knowingly submitted a false claim for payment. Evidence obtained in support of the allegations includes emails memorializing UCI's "linking" scheme and well-organized "cheat sheets," as employees called them, which UCI used to keep track of properly-credentialed billing providers whose names could be substituted on uncredentialed providers' bills.

The "billing credentials" at issue in this case are distinct from a provider's degree or license to practice medicine. There is no evidence in this case that any Doctors Care provider lacked a medical license or that patient care was compromised due to the conduct at issue.

"When healthcare companies do business with the federal government, they must follow the rules like everyone else," said Acting U.S. Attorney DeHart. "All companies with this distinction – regardless of size – should honor their commitment to provide competent care to the full letter of the law. Our office will continue to protect tax dollars and ensure the rule of law is followed."

"Taxpayers and Medicare patients rightly expect medical providers to be properly credentialed before billing for their services," said Derrick L. Jackson, Special Agent in Charge of the Office of Inspector General for the U.S. Department of Health and Human Services ("HHS-OIG"). "Working with our law enforcement partners, we will continue protecting Federal healthcare programs."

"The results of this investigation exemplify the commitment of the United States Department of Defense Criminal Investigative Service ("DCIS") and its law enforcement partners to root out fraud and corruption involving unscrupulous companies that undermine the integrity of the Department of Defense," said Special Agent in Charge Christopher Dillard of the DCIS Mid-Atlantic Field Office. "This case should serve as a stark warning to those who attempt to exploit Department of Defense resources for personal gain."

The settlement of \$22.5 million is the result of over three years of investigation, led by the United States Attorney's Office in coordination with the HHS-OIG and DCIS. Upon receiving the first investigative subpoena in early 2018, management for UCI and Doctors Care acted promptly to investigate and stop the conduct subject to this settlement.

In addition to the monetary settlement, UCI and Doctors Care also entered into a Corporate Integrity Agreement with the Office of Inspector General. Among other things, the Corporate Integrity Agreement requires that for the next five years UCI must retain an Independent Review Organization to perform a claims review in accordance with the specific requirements of the Corporate Integrity Agreement, and it requires that UCI routinely be monitored by the Office of Inspector General.

This matter was investigated and negotiated by Assistant United States Attorney Brook Andrews and Assistant United States Attorney Nancy Cote, with the assistance of Special Agent Ryan Schubert of HHS-OIG and Special Agent Doyle Mullis of DCIS. The whistleblowers were represented by Bert Louthian, John Simmons, Bill Nettles, and Fran Trapp.

The case is captioned *United States ex. rel. Dove v. UCI Medical Affiliates, Inc., et. al*, 2:17-cv-02291-RMG (D.S.C.). The claims resolved by the settlement are allegations only, and there has been no determination of liability.

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Topic(s):

False Claims Act
Health Care Fraud

Component(s):

USAO - South Carolina

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