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OFFICE OF  
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— Stronger, Safer Florida —

## Attorney General Ashley Moody News Release

### \$2 Million Payment Secured to Resolve Kickback Allegations



TALLAHASSEE, Fla.—Attorney General Ashley Moody, working with state and federal partners, is securing more than \$2 million following an investigation into a health care kickback scheme. Florida recently joined the United States federal government and six other states in settling allegations against Medicea USA, Inc. and Medicea International, d/b/a Medicea, for involvement in purported kickbacks.

Attorney General Ashley Moody said, “This company tried to buy its way into big business by gifting alcohol, fine dining and travel to physicians in exchange for the purchase and recommendation of its products—at the expense of the taxpayer-funded Medicaid program. I’m proud to work with other state attorneys general in holding this company accountable for its dubious scheme, in order to protect patients and the taxpayers of Florida.”

According to the investigation, Medicea allegedly provided items of value in the form of alcoholic beverages, entertainment, meals and travel expenses to U.S.-based physicians at events surrounding the Scoliosis Research Society’s September 2013 Congress in Lyon, France. The U.S. alleged that Medicea provided the benefits to persuade the physicians to purchase, order or recommend Medicea’s spinal devices—resulting in false payment claims to federal health care programs under the provisions of the Anti-Kickback Statute.

The Anti-Kickback Statute prohibits medical device manufacturers from directly or indirectly offering or paying anything of value to induce the referral of items or services, such as device

orders or purchases, covered by Medicare, Medicaid, TRICARE or other federal health care programs. Florida contends that this conduct violated the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b)(1)(B), the related state false claims act statutes and resulted in claims submitted to, or purchases made by, the Florida Medicaid program between Oct. 1, 2013 and Dec. 31, 2015. As part of the agreement, the state of Florida will receive more than \$160,000 in restitution and other recoveries.

The civil agreement includes the resolution of claims brought under the qui tam or whistleblower provisions of the False Claims Act statute. Under those provisions, a private party can file an action on behalf of the U.S. and receive a portion of any recovery. The suit was filed in the Eastern District of Pennsylvania and is captioned *United States of America, et al., ex rel. Dory Frain v. Medicea USA Corporation*, Civil Action No. 16-1986.

The agreed claims are allegations only; there is no determination of liability.

A National Association of Medicaid Fraud Control Units team investigated the allegations in conjunction with the Department of Justice and U.S. Attorney's Office in the Eastern District of Pennsylvania.

Attorney General Moody is joined by attorneys general from California, Colorado, Georgia, New York, North Carolina and Texas in settling the allegations.

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The Florida Medicaid Fraud Control Unit is funded through a grant totaling \$26,329,510 for Federal Fiscal Year 2021, from the U.S. Department of Health and Human Services Office of Inspector General. The Federal Share of these funds is 75% totaling \$19,747,136. The State Matching Share of these funds is 25% totaling \$6,582,374 and is funded by Florida.

The Florida Attorney General's Medicaid Fraud Control Unit investigates and prosecutes providers that intentionally defraud the state's Medicaid program through fraudulent billing practices. Medicaid fraud essentially steals from Florida's taxpayers. From January 2019 to the present, Attorney General Moody's MFCU has obtained more than \$70 million in settlements and judgments