



Cardiology practice settles 60-Day Overpayment case under the False Claims Act for double damages

October 17, 2017

On October 13, 2017, the U.S. Attorney's Office for the Middle District of Florida [announced](#) a \$448,000 settlement with the First Coast Cardiovascular Institute (First Coast) stemming from its alleged failure to report and return a \$175,000 overpayment in a timely manner.

Under the 60-Day Overpayment Rule, health care providers are required to report and return overpayments within 60 days of identifying the overpayment. According to the government's press release, First Coast became aware of the overpayments which resulted from credit balances no later than June 2016, though the credit balance overpayments allegedly began accumulating in 2001. The government alleged that First Coast received repeated warnings about the overpayments but did not repay the money until the Department of Justice opened an investigation.

The case was filed by a whistleblower who was a former executive director of the company. The whistleblower alleged that when he started in April 2015, he immediately noticed that the financial statements did not reflect over \$100,000 in credit balances. He claimed that he brought this to the attention of his superiors on several occasions but that no action was taken. The whistleblower will receive \$90,000 as his share of the settlement.

This is only the second reported settlement related to the 60-Day Overpayment Rule. The first (which we wrote an [article](#) about in August 2016) resulted in a settlement amount that was triple the amount of the original overpayment. These settlements confirm the interest of the government in using the False Claims Act to enforce the 60-Day Overpayment Rule. Healthcare providers

should ensure that they have the right policies and procedures in place to promptly identify overpayments and report and return such overpayments within 60 days of identification. The penalties for failing to comply with the 60-Day Overpayment Rule can be significant.

Authors

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