# STATE OF CONNECTICUT

**OFFICE OF THE ATTORNEY GENERAL** **DEPARTMENT OF SOCIAL SERVICES**
*ATTORNEY GENERAL GEORGE JEPSEN* *COMMISSIONER RODERICK L. BREMBY*

**OFFICE OF THE CHIEF STATE'S ATTORNEY**
*CHIEF STATE'S ATTORNEY KEVIN KANE*

## CONNECTICUT COORDINATED WITH U.S. DEPARTMENT OF JUSTICE SETTLEMENT OVER MAXIM HEALTHCARE SERVICES, INC.

*For immediate release* TUESDAY SEPT. 13, 2011

HARTFORD -- Connecticut coordinated with the U.S. Department of Justice in settlements reached with Maxim Healthcare Services, Inc., a Maryland company charged in a nationwide scheme to defraud Medicaid and Veterans Affairs programs.

Maxim, one of the nation's leading providers of home healthcare services, agreed Monday to pay $150 million to the federal government and 41 states to resolve civil and criminal charges stemming from the scheme. Medicaid is a state-administered healthcare program for low-income elders and individuals with disabilities, which is funded jointly by the states and the federal government.

The settlement announced by the U.S. Department of Justice resolves civil and criminal charges that Maxim submitted fraudulent billings to government health programs for services that were not provided; that it submitted claims without required documentation and that it submitted claims from unlicensed facilities that were ineligible under Medicaid rules to submit claims for reimbursement.

Attorney General George Jepsen and Social Services Commissioner Roderick L. Bremby said Tuesday that Connecticut reached an earlier settlement of nearly $7 million in January to resolve similar claims against the company for billings submitted between Jan. 1, 2003 and Dec. 31, 2009 to Connecticut Medical Assistance Programs, including Connecticut Medicaid. The Connecticut settlement was coordinated with the federal investigation and the Justice Department, but was separate from the one reached with the 41 states.

As part of Connecticut's agreement, Maxim paid the State $6,978,759, to resolve the claims identified in an investigation by the Attorney General, Department of Social Services and the Office of the Chief State's Attorney.

Chief State's Attorney Kevin T. Kane expressed his appreciation to the Medicaid Fraud Control Unit in the Office of the Chief State's Attorney, the Office of the Attorney General and the Department of Social Services for their collaborative effort to protect taxpayer resources.

Jepsen said that "false billing to government health care programs is an increasingly serious problem, significantly straining already overburdened state budgets. We will continue to be

vigilant, along with our state and federal partners, to ferret out financial wrongdoing that burdens the taxpayers."

Commissioner Bremby called Medicaid "a lifeline to millions of vulnerable seniors and people with disabilities nationally, and it is critical that we safeguard the taxpayer dollars supporting these health care services."

"While the vast majority of Medicaid-enrolled providers are above board, Connecticut's anti-fraud measures should put those who intentionally or negligently cheat the government on notice that consequences will follow," Bremby said.

A routine audit by the Department of Social Services found multiple instances of false claims and questionable billings to the state Medicaid program from January 2006 through December 2007. As a result, the Attorney General and DSS also initiated a discussion with Maxim regarding the full scope of the problem, including earlier and later periods. The Connecticut settlement covered the period from January 2003 through December 2009.

The federal agreement with Maxim requires the company to pay approximately $130 million in civil settlements and a criminal penalty of $20 million. In addition, federal prosecutors have secured guilty pleas to criminal charges from eight former Maxim employees, including three senior managers. The company also agreed to enter a deferred prosecution agreement and to the terms of a Corporate Integrity Agreement with the U.S. Department of Health and Human Services and the Office of the Inspector General.

###

CONTACT:
*Susan Kinsman, Office of the Attorney General; susan.kinsman@ct.gov; 860-808-5324; 860-478-9581*
*David Dearborn, Department of Social Services;david.dearborn@ct.gov; 860-424-5024*
*Mark Dupuis, Office of the Chief State's Attorney: mark.dupuis@po.state.ct.us; 860 258 5997*