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Audiology Practice Settles FCA Case Over Unlicensed Staff, Gift Cards, Free Turkeys

By Nina Youngstrom

Giving gifts to attract patients and billing Medicare for services provided by unlicensed staff led to a False Claims Act (FCA) settlement with a company that operates audiology practices in New York state.

Oviatt Hearing & Balance LLC, which has practices in Syracuse, Camillus, Manlius, and Oswego, New York, agreed to pay \$566,263, the U.S. Attorney's Office for the Northern District of New York said Dec. 11.

Although the settlement includes the kickback allegations stemming from the gifts, the dollar amount is solely for Medicare claims for hearing exams, according to Scott McBride, the attorney who represented Oviatt.

The lawsuit was filed in August by audiologist Suzanne Katko, a former employee turned whistleblower, against Oviatt; its owner; Hear Better Centers LLC; and parent company, Audiology Services Company USA LLC, on Aug. 17. According to the complaint, Oviatt sent mailings to people in the community, variously offering free Butterball turkeys, \$15 Visa gift cards, \$15 Dunkin' Donuts gift cards, \$30 Omaha Steaks gift cards and the chance to win an iPad if they came in to have their hearing screened. Once they were at the audiology practices, patients were pushed to have an in-depth evaluation and sometimes a hearing aid, the complaint alleged. Medicare doesn't cover screenings or hearing aids, but it pays for in-depth evaluations. The government alleged the inducements violated the Anti-Kickback Statute and False Claims Act.

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