

## Report on Medicare Compliance Volume 27, Number 7. February 19, 2018 News Briefs: February 19, 2018

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- ♦ The HHS Office of Inspector General has posted the monthly update to its Work Plan, which is a roa map of audits, evaluations and investigations. The new items include "a review of statistical methods within the Medicare fee-for-service administrative appeal process" and Part B drug payments. Visit <a href="https://go.usa.gov/xn6Jn">https://go.usa.gov/xn6Jn</a>.
- ◆ Sen. Charles Grassley (R-Iowa), co-author of the 1986 amendments to the False Claims Act, said Feb. 13 there have been some "troubling developments in the courts' interpretation of the False Claims Act," according to a statement before the Senate Judiciary Committee, which he chairs. "In 2016, the question of what the government knows about fraud in False Claims Act cases began to take center stage once again. In Escobar, the Supreme Court rightly affirmed that a contractor can be liable under the 'implied false certification' theory. That just means a contractor can be in trouble when it doesn't make good on its bargain. And it doesn't matter whether the contractor outright lies. A misleading omission of its failures is enough. Unfortunately, parts of the Court's ruling are getting some defendants, and judges, tied in knots. [Supreme Court Justice Clarence] Thomas wrote that the false or misleading aspect of the claim has to be material to the government's decision whether to pay it. Thomas said that one of several ways you can tell whether something misleading is also material is if the government knows what the contractor is up to and pays the claim anyway. At first glance, I suppose that makes sense. If someone gives you something substantially different in value or quality than what you asked for, why would you pay for it? But if the difference really isn't that important, you might still accept it. Even if that is true, the problem here is that courts are reacting the way they always have. They are trying to outdo each other in applying Thomas' analysis inappropriately or as strictly as possible—to the point of absurdity." Visit https://tinyurl.com/ydbw27g6.

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