

Report on Medicare Compliance Volume 33, Number 22. June 17, 2024

CityMD Pays \$12M to Settle FCA Case Over UIP Claims, Gets DOJ Cooperation Credit

By Nina Youngstrom

CityMD, which operates 177 urgent care centers in New York and New Jersey, has agreed to pay \$12 million to settle allegations it billed the COVID-19 uninsured program (UIP) for COVID-19 tests provided to patients with insurance, the U.S. Department of Justice (DOJ) said June 7.^[1] One of those patients, Stephen Kitzinger, was the whistleblower who set the False Claims Act (FCA) case in motion. In his complaint, Kitzinger alleged he entered his insurance information into CityMD's electronic tablet but was told by a CityMD administrator she planned to delete the insurance information, and it never appeared in the patient portal.^[2]

UIP, which was run by the HHS Health Resources and Services Administration (HRSA), provided free COVID-19 tests, services and vaccines to uninsured people during the pandemic until it stopped accepting claims in the spring of 2022 when it ran out of funds.

"As suspected, the Department of Justice is taking a very big interest in UIP," said attorney Christopher Frisina, with Alston & Bird. The allegations about deleting insurance information are surprising, he said, because "I can't imagine UIP would [pay] all that much more that you would risk" a repayment and/or false claims allegations.

This is the latest of several recent FCA settlements in which the defendant got cooperation credit.^[3] According to the settlement, CityMD was credited under DOJ guidelines for "Taking Voluntary Disclosure, Cooperation and Remediation into Account in False Claims Act Matters, Justice Manual § 4-4.112." CityMD cooperated with the government's investigation by, among other things, contracting with a third party to help the government determine how much money it allegedly lost because of CityMD's UIP claims for patients with health insurance.^[4] "This cooperation resulted in CityMD identifying many of the claims that are described in the Covered Conduct and, on or about February 12, 2022, repaying \$7,022,522 to HRSA for such claims," the settlement states.

This document is only available to subscribers. Please log in or purchase access.

[Purchase Login](#)