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Prison Health Care Provider Naphcare Agrees to Settle False Claims Act Allegations

NaphCare Inc., headquartered in Birmingham, Alabama, has agreed to pay \$694,593 to resolve allegations that the company violated the False Claims Act by knowingly submitting false claims to the Federal Bureau of Prisons (BOP) in connection with health care services provided to BOP inmates.

“Companies that do business with the government have an obligation to ensure that they charge only for the services they provide,” said Acting Assistant Attorney General Brian M. Boynton of the Justice Department’s Civil Division. “We will hold accountable those who knowingly fail to comply with this obligation and seek taxpayer funds to which they are not entitled.”

NaphCare subcontracts with physicians to provide health care services to inmates who reside at BOP facilities located throughout the United States. The United States alleged that NaphCare submitted inflated claims for evaluation and management services provided by several physicians at BOP’s Terre Haute, Indiana, facility between January 2014 and June 2020. Specifically, the United States alleged that, when certain physicians did not indicate the type of service performed on onsite visit sheets, NaphCare charged the government for higher-level services than were provided. The settlement also resolves allegations that, for two other physicians at BOP’s facility in Victorville, California, NaphCare similarly submitted claims that included higher-level services than those that were actually performed.

“This settlement is the result of the OIG’s innovative data analytics and other efforts to identify health care claims anomalies to protect taxpayer dollars,” said Special Agent in Charge Kenneth R. Dieffenbach of the Justice Department’s Office of the Inspector General, Fraud Detection Office. “Government contractors have a responsibility to ensure that all claims presented to the government are accurate.”

The resolution obtained in this matter was the result of a coordinated effort between the Civil Division’s Commercial Litigation Branch, Fraud Section, and the Department of Justice Office of Inspector General. This matter was handled by Trial Attorney Jonathan Gold.

The claims resolved by the settlement are allegations only and there has been no determination of liability.