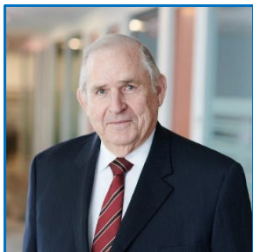

Law Firm in \$40,000 Settlement With DOJ

[Richard P. Kusserow](#) | April 2023

A Maryland law firm agreed to pay almost \$40,000 as part of a settlement with the DOJ to resolve allegations that they failed to reimburse for certain Medicare payments on behalf of their clients. The investigation arose under the Medicare Secondary Payer (“MSP”) provisions of the Social Security Act, which authorizes Medicare, as a secondary payer, to make conditional payments for medical items or services under certain circumstances. When an injured person receives a tort settlement or judgment, Medicare law requires persons or entities who receive the settlement or judgment proceeds, including the injured person’s attorney, to repay Medicare for its conditional payments. If Medicare does not receive timely repayment, these same laws and regulations permit the Government to recover the conditional payments from the injured person’s attorney and others who received the settlement or judgment proceeds.

The Government alleged that, over many years, Medicare made conditional payments to healthcare providers to satisfy medical bills for firm clients. During that period, the firm negotiated and received settlement proceeds for its clients, but neither the firm nor its clients repaid Medicare for the conditional payments Medicare made to medical providers. The DOJ reminded attorneys of their obligation to reimburse Medicare for conditional payments after receiving settlement or judgment proceeds for their clients. This obligation exists regardless of whether they disburse settlement proceeds to their clients before the CMS contacts them about the existence of an MSP debt. When attorneys receive settlement funds in personal injury cases, they have an independent obligation to confirm whether their clients received conditional payments from Medicare.

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About the Author

Richard P. Kusserow established Strategic Management Services, LLC, after retiring from being the DHHS Inspector General, and has assisted over 2,000 health care organizations and entities in developing, implementing and assessing compliance programs.