

Lincare Inc. Will Pay \$25.5 Million to Settle Fraud Claims Brought by Susman Godfrey Whistleblower Clients

The United States Attorney for the Southern District of New York has announced that Lincare Inc. (“Lincare”) will pay \$25.5 million to resolve a False Claims Act lawsuit based on allegations of fraud and kickbacks made by Susman Godfrey clients, and former Lincare employees, Sandra Gauch and Michelle McNeill. Lincare agreed to the settlement to resolve the whistleblowers’ allegations that it submitted false claims to federal health programs.

In January 2018, the whistleblowers filed a complaint against Lincare under the *qui tam* provisions of the False Claims Act and other state false claims laws. In the lawsuit, the whistleblowers alleged that Lincare charged federal health programs, including Medicare and Medicaid, for expensive rentals of non-invasive medical ventilators that were not being used by patients and were not medically necessary. The whistleblowers alleged that Lincare continued to bill and profit from federal health programs, even after it learned that patients were not using their devices. The whistleblowers also asserted that Lincare offered illegal kickbacks by routinely waiving patient copays for these ventilators—without regard to a patient’s genuine financial need—in order to induce patients to rent them.

The United States government intervened in the case after a thorough investigation conducted with Susman Godfrey’s assistance. The United States’ complaint, filed earlier this month, closely tracks the allegations first made by Susman Godfrey’s clients.

Lincare has agreed to pay \$25.5 million to the United States and various state governments to resolve the claims against it. Susman Godfrey’s clients will be awarded 19.5% of that amount—over \$4.7 million—for their role in uncovering and prosecuting Lincare’s fraud.

Susman Godfrey partner and co-lead counsel on the matter, [Steven M. Shepard](#), said, “I commend our clients’ courage in blowing the whistle on these serious allegations of fraud on the Medicare and Medicaid programs. Tens of millions of taxpayer dollars have been recovered because of Sandra’s and Michelle’s decision to come forward.” [Mark Hatch-Miller](#), another Susman Godfrey partner on the case, added: “It’s been an honor to represent these two brave clients. Companies that defraud the government out of taxpayer money must be held accountable. Susman Godfrey and its clients will continue to partner with state and federal authorities to pursue this important goal.”

Sandra Gauch and Michelle McNeill are represented by [Bill Carmody](#), [Steven M. Shepard](#), [Mark Hatch-Miller](#), and [Russell Rennie](#) of Susman Godfrey LLP. The case is *United States of America ex rel. Gauch v. Lincare Holdings Inc.*, case number 18-cv-783, in the United States District Court for the Southern District of New York.