

**IN THE UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF TENNESSEE  
AT KNOXVILLE**

UNITED STATES OF AMERICA <i>ex rel.</i>	:	
LEANN MARSHALL and	:	
VIB PARTNERS,	:	
	:	
Plaintiffs and Relators,	:	
	:	Civil Action No. 3:17-cv-96
vs.	:	Judge Collier
	:	
LHC GROUP, INC. and	:	
UNIVERSITY OF TENNESSEE	:	
MEDICAL CENTER HOME CARE	:	
SERVICES, LLC,	:	
	:	
Defendants.	:	

**CONSOLIDATED AMENDED COMPLAINT FOR VIOLATIONS  
OF FEDERAL FALSE CLAIMS ACT**

Jennifer M. Verkamp (admitted *pro hac vice*)  
Frederick M. Morgan, Jr. (admitted *pro hac vice*)  
Sonya A. Rao (*pro hac vice* being submitted)  
Ian M. Doig (*pro hac vice* being submitted)  
MORGAN VERKAMP LLC  
35 East 7th Street, Suite 600  
Cincinnati, OH 45202  
Telephone: (513) 651-4400  
Fax: (513) 651-4405  
Email: [jverkamp@morganverkamp.com](mailto:jverkamp@morganverkamp.com)  
[rmorgan@morganverkamp.com](mailto:rmorgan@morganverkamp.com)

David A. Burkhalter, II, TN BPR #004771  
D. Alexander Burkhalter, III, TN BPR #033642  
Zachary J. Burkhalter, TN BPR #035956  
The Burkhalter Law Firm, P.C.  
111 S. Central Street  
Knoxville, TN 37902  
Telephone: (865) 524-4974  
Fax: (865) 524-0172  
Email: [david@burkhalterlaw.com](mailto:david@burkhalterlaw.com)  
[alex@burkhalterlaw.com](mailto:alex@burkhalterlaw.com)  
[zach@burkhalterlaw.com](mailto:zach@burkhalterlaw.com)

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## I. INTRODUCTION

1. Relators LeAnn Marshall and VIB Partners (collectively, the “Relators”) bring this action alleging that Defendant LHC Group, Inc. (“LHC”) violated the False Claims Act, 31 U.S.C. § 3729 *et seq.*

2. Relators allege that, since at least 2011 to present, Defendant LHC has submitted false claims to the United States for the provision of therapy and nursing services provided by its facilities to home health patients insured by federal healthcare programs, including the Medicare program.

3. More specifically, in order to inflate payments that it receives from federal healthcare programs, LHC implements a corporate-wide scheme in which it directs its facilities to systematically falsify the coding and assessment of patients’ health conditions, and the number of therapy and nursing visits provided to patients.

4. To carry out the aforementioned scheme, LHC directs its clinicians and managers to falsify Outcome and Assessment Information Set (“OASIS”) assessments to claim greater reimbursement than the patients’ conditions warrant, without regard to the reasonableness and necessity of care. This scheme to falsify records occurs both through direction to clinicians to accept corporately-directed changes to their clinical assessments, and through after-the-fact computer overrides by LHC management.

5. LHC also uses a proprietary software called Service Value Points (“SVP”) to falsely skew the number of therapy and nursing visits, by prioritizing profitability over clinical decision-making. As a result of these schemes, LHC routinely falsifies records to support the eligibility of patients for the billed home health services.

6. LHC also directs its clinicians and managers to make patients appear worse on admission and better on discharge, without regard to the patient's actual condition, in order to falsify quality improvement data used by Medicare to assign star-quality ratings to LHC's agencies. By manipulating its star-quality rating scores, LHC fraudulently inflated revenue in states where Medicare's Home Health Value Based Purchasing pilot program operates.

7. Because the OASIS assessment and the star-quality ratings directly tie to the amount of payment that LHC and its facilities receive, as further described herein, LHC's conduct is material to the Government's decision to pay claims for services submitted to public healthcare programs, including Medicare.

8. LHC's knowing, and ongoing, conduct has caused the submission of false claims to federal healthcare programs by its facilities nationwide.

9. LHC and Defendant University of Tennessee Medical Center Home Care Services, LLC ("UTMC HCS") also retaliated against, and ultimately terminated, Marshall on June 2, 2016, after she objected to and tried to stop LHC's fraudulent conduct in violation of the False Claims Act. Defendants' conduct violated the FCA's anti-retaliation provisions, 31 U.S.C. § 3730(h).

## **II. JURISDICTION AND VENUE**

10. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1331 and 31 U.S.C. § 3732 and has personal jurisdiction over Defendants because both LHC and UTMC HCS transact business in this District.

11. Venue is proper in this District under 28 U.S.C. § 1391 and 31 U.S.C. § 3732(a) because Defendant operates and transacts business within this district.

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