

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
v.)	CIVIL ACTION NO.
)	
SUHYUN AN, JOHNSON MEDICAL GROUP)	
PLLC (d/b/a Campbell Medical Clinic), and)	
CAMPBELL MEDICAL GROUP PLLC,)	
)	
Defendants.)	
_____)	

COMPLAINT OF THE UNITED STATES OF AMERICA

1. The United States of America (“United States”) brings this action to recover treble damages and civil penalties arising from violations of the Federal False Claims Act, 31 U.S.C. § 3729, *et seq.* (“FCA”), and to recover damages under the common law theories of fraud, unjust enrichment, and payment by mistake.

I. INTRODUCTION

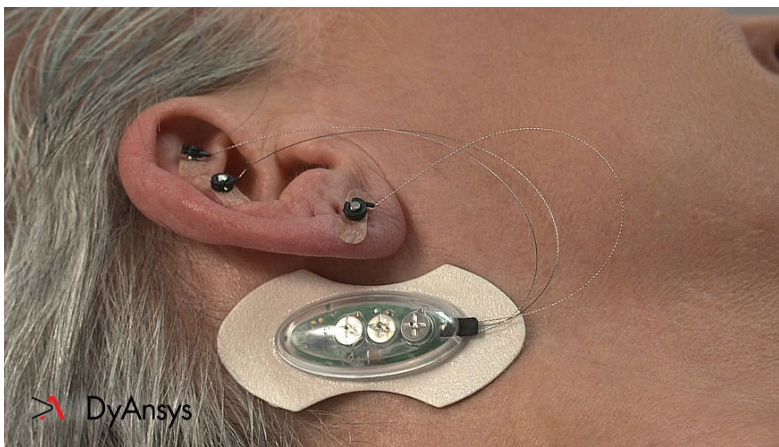
2. Suhyun An is a chiropractor and nurse practitioner who manages the Campbell Medical Clinic in the Spring Valley village in Houston. In addition to traditional chiropractic services, Campbell Medical Clinic advertises that it offers “regenerative medicine” and a host of cosmetic treatments such as Botox, Vampire Facelifts, and assorted other services.

3. In late 2015, An learned of an enticing money-making opportunity. The proposal: buy cheap devices for a few hundred dollars each (an inflated price justified only by the devices’ reimbursement potential), tape them to patients’ ears, submit a \$10,000 claim to Medicare for each service, and receive well over \$6,000 in reimbursement for every claim.

4. There was a catch, though. In order to garner the sky-high reimbursement rates, An had to bill Medicare and other insurance programs using code L8679, a very expensive code reserved for “implantable” neurostimulators where surgery had been performed.

5. Here, however, the devices were not “implantable” and did not require surgery. Rather, the devices were simply *taped* to a patient’s ear using an adhesive. The only things that went into a patient’s body were the electrodes that were inserted into the patient’s ear—barely penetrating the skin—and affixed using another adhesive. Those electrodes were powered by small batteries (*e.g.*, a 9-volt Duracell) and would generate intermittent stimulation by electrical pulses.

6. As an illustration, below is a photo of the ANSiStim, one of the various devices used by An.¹



7. Although An bought similar devices from competing manufacturers, all of them were functionally identical and were commonly referred to as “p-stim” (percutaneous stimulation) devices. (“P-STIM” was also the brand name of one of the devices.)

¹ Press Release, *New DyAnsys Inc. Solution Relieves Long-Term Chronic Pain Without Narcotics*, PRNEWswire.COM (available at <https://www.prnewswire.com/news-releases/new-dyansys-inc-solution-relieves-long-term-chronic-pain-without-narcotics-300085673.html>) (last accessed May 5, 2020).

8. In truth, these devices were simply providing electric acupuncture. Various brands of the p-stim devices were cleared by the Food and Drug Administration (“FDA”) as electro-acupuncture stimulator devices for use by licensed acupuncturists. Because acupuncture was not covered by Medicare, the devices were not reimbursable at all.

9. Nevertheless, An took full advantage of the opportunity to earn fraudulent reimbursement. Acting through Johnson Medical Group PLLC, an entity she set up to fraudulently bill Medicare with the help of a physician in Houston, An submitted at least 666 claims to the Medicare program using L8679 and received at least \$3,886,119.06 in reimbursement. She also submitted 31 claims and received at least \$50,105.47 from TRICARE, an entitlement program for uniformed service members, retirees, and their families around the world.

10. An’s conduct violated the FCA, which is designed to penalize parties who defraud the federal government. The FCA provides that the government may recover treble damages and substantial monetary penalties whenever someone submits false claims to the federal government with, among other things, “reckless disregard” for the truth or falsity of those claims.

11. Consistent with ordinary common sense, An’s emails show that she actually knew (or, at minimum, recklessly disregarded) that Medicare did not treat p-stim devices as implantable neurostimulators worthy of reimbursement of approximately \$6,500 to \$8,000 per claim. In fact, she expressed concerns right when she heard of the scheme, writing in emails that she was “reading conflicting information on [the] legality of billing [p-stim] to different payor[s], including Medicare.”

12. The sales representatives marketing to An—who stood to gain from this scheme—put her in touch with consultants who told her how she could bill to garner the highest possible reimbursement. An determined to bill Medicare using L8679 after learning that, so far, many other

doctors had gotten away with it. In an email to her billing company, An noted that she would submit what she called “a test run” of a claim to Medicare to see if it would be paid.

13. An knew this billing scheme was highly suspect. Indeed, right after the “test” claim was paid, she wrote in an email that, while she could make a lot of money billing p-stim devices, she wanted to utilize a goldilocks approach—billing enough to make significant money but not overdoing it so that she could “fly under the audit radar.”

14. In fact, on multiple occasions, An was warned by her staff, her billing company, and even her then-husband who worked at the clinic that p-stim devices were not billable as implantable neurostimulators and that she was likely committing fraud. She was even pointed directly to the guidance of a Medicare contractor stating that these devices were not payable. Nevertheless, she continued billing—sometimes for as many as 11 devices per patient.

15. An took other steps to evade scrutiny. She and her clinic staff did not attempt to collect from patients the co-pay charge of approximately \$1,600 that Medicare assigned to L8679 claims. She did this to avoid raising alarms with patients, who would have been livid upon learning how much they were charged. (Nevertheless, some patients did in fact raise concerns.)

16. An’s fraud scheme allowed her to live a lavish lifestyle. She used the proceeds of this fraud to buy multiple luxury cars, real estate properties, and a million-dollar house in a high-end Houston neighborhood.

17. Ultimately, An and the Campbell Medical Clinic did not stay off the government’s “audit radar” and the government commenced an investigation into her practices. The government now seeks to recover all of the money paid to Defendants, plus treble damages and statutory penalties as provided for under the FCA.

II. JURISDICTION AND VENUE

18. This action arises under the False Claims Act (“FCA”), 31 U.S.C. §§ 3729 to 3733, and the common law. This Court has subject matter jurisdiction over the entire action, including claims asserted under the common law, under 28 U.S.C. § 1345 because the United States is the Plaintiff. In addition, the Court has subject matter jurisdiction over the FCA causes of action under 28 U.S.C. § 1331.

19. The Court has personal jurisdiction over the Defendants pursuant to 31 U.S.C. § 3732(a) because the Defendants reside and/or transact business in the Southern District of Texas.

20. Venue is proper in the Southern District of Texas under 31 U.S.C. § 3732(a) and 28 U.S.C. § 1391(b) and (c) because Defendants reside and conduct business in this district and most of the events giving rise to these claims occurred in this district.

III. PARTIES

21. Plaintiff United States brings this action on behalf of (a) the United States Department of Health and Human Services (“HHS”), including HHS’s component agency, the Centers for Medicare and Medicaid Services (“CMS”), which administers the Medicare and Medicaid programs; and (b) the Department of Defense, including its component, the Defense Health Agency (“DHA”), which administers the TRICARE Program.

22. Defendant Suhyun An (“An”) is a chiropractor and nurse practitioner who practices in Houston, Texas. At all times relevant to this complaint, she has been an owner of Campbell Medical Group PLLC and has managed Johnson Medical Group PLLC.

23. Defendant Johnson Medical Group PLLC (*d/b/a* Campbell Medical Clinic) (“Johnson Medical”) is an entity that was used as a vehicle by An to bill Medicare, including for the p-stim claims at issue in this Complaint. An submitted forms to Medicare representing that

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