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United States Intervenes in False Claims Act Suit Against Virginia Medicaid Providers

WASHINGTON – The United States and the Commonwealth of Virginia have intervened in a False Claims Act suit in the Western District of Virginia against the Medicaid providers Universal Health Services Inc., Keystone Marion LLC and Keystone Education and Youth Services LLC, the Justice Department announced today. They did business as the Keystone Marion Youth Center, a residential facility in Marion, Va., that receives Medicaid funds to provide psychiatric counseling and treatment for boys ages 11-17.

This False Claims Act lawsuit was filed by several former therapists who worked at the Marion residential facility. The suit alleges that defendants provided sub-standard care to adolescents in violation of federal and state Medicaid requirements, falsified records to cover up their serious violations and filed false Medicaid claims. Under the False Claims Act, a health care provider that submits false or fraudulent claims to a federal health care program is liable for three times the government's damages, plus a civil penalty for each false claim.

"The Department of Justice is committed to ensuring that Medicaid recipients, particularly troubled adolescents in need of psychiatric services, receive the appropriate care and treatment they require," said Tony West, Assistant Attorney General for the Civil Division of the Department of Justice. "We must protect Medicaid from fraudulent practices that deprive beneficiaries of the quality health care they deserve."

"The Medicaid program was designed to ensure that the most vulnerable members of our society receive quality medical care. The intervention in this suit demonstrates our commitment in the Western District of Virginia to protecting the integrity of Medicaid funds and holding those who violate the law accountable," said U.S. Attorney Timothy J. Heaphy.

Assistant Attorney General West acknowledged the efforts made by the Civil Division of the Justice Department, the U.S. Attorney's Office for the Western District of Virginia, the Virginia Attorney General's office, the Department of Health and Human Services' Office of the Inspector General and the Commonwealth of Virginia's Medicaid Fraud Control Unit.

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