



*United States Attorney  
Southern District of New York*

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**U.S. RECOVERS \$400,000 IN SETTLEMENT OF CIVIL HEALTH  
CARE FRAUD LAWSUIT AGAINST THE FLOATING HOSPITAL**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced today that the United States has filed, and simultaneously settled, a civil health care fraud lawsuit against THE FLOATING HOSPITAL for allegedly submitting false claims to Medicaid for reimbursement in connection with physical, occupational, and speech therapy services. The settlement, approved yesterday in federal court in Manhattan by United States District Judge LEONARD B. SAND requires The Floating Hospital to pay \$400,000 in civil damages under the False Claims Act.

According to the documents filed in Manhattan federal court:

The Floating Hospital is a New York non-profit organization, licensed under Article 28 of the New York State Public Health Law as a diagnostic and treatment center, that provides primary, dental, and mental healthcare to indigent New Yorkers. Under Medicaid rules, Article 28 facilities are permitted, in certain circumstances, to open part-time clinics. Medicaid rules further provide that such part-time clinics may not provide services unavailable at the Article 28 facility's primary site.

From 1997 to 2004, The Floating Hospital opened as many as 100 part-time clinics through which it provided physical, occupation, and speech therapy services, which were not provided at TFH's primary site. The Floating Hospital violated the False Claims Act by submitting Medicaid claims for those therapy services even though none of them were properly reimbursable under Medicaid.

Until September 2001, the Floating Hospital's primary clinic was located on a ship anchored in the East River near Wall Street. Today, the Floating Hospital's main clinic and administrative offices are located in Long Island City, New York.

The case is being handled by the Office's newly-formed Civil Frauds Unit. Assistant United States Attorney REBECCA C. MARTIN is in charge of the case.

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