



United States Attorney District of New Jersey

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PATHOLOGY PRACTICE AGREES TO PAY \$2.4 MILLION TO RESOLVE FALSE CLAIMS ACT ALLEGATIONS

NEWARK, N.J. – A New Jersey pathology practice will pay \$2.4 million to resolve allegations that it violated the False Claims Act by making false representations in connection with submissions to the Centers for Medicare & Medicaid Services (CMS), Acting U.S. Attorney Rachael A. Honig announced today.

According to the government's contentions in the settlement agreement:

Princeton Pathology Services P.A. (Princeton Pathology) submitted claims to Medicare under Current Procedural Terminology (CPT) code 85390-26 from Jan. 1, 2015, through Dec. 31, 2020. This CPT code requires written analysis by a pathologist, but Princeton Pathology submitted claims using this code without written substantiation in medical records. As a result, Princeton Pathology billed Medicare for analysis of tests that did not require analysis, causing Medicare to significantly overpay.

Contemporaneous with the civil settlement, Princeton Pathology also entered into a three-year Integrity Agreement with the U.S. Department of Health and Human Services Office of Inspector General (HHS-OIG), which requires, among other things, training, auditing, and monitoring designed to address the conduct at issue in the case as well as evolving compliance risks on an ongoing basis.

"Federal health care programs rely on practitioners to accurately bill for services they perform," Acting U.S. Attorney Honig said. "The U.S. Attorney's Office for the District of New Jersey will hold accountable physician practices that seek payment for unnecessary or unsubstantiated services."

"Submitting claims for unsubstantiated services threatens the integrity of the Medicare program and will not be tolerated," Scott J. Lampert, HHS-OIG Special Agent in Charge said. "We will continue to protect patients and taxpayers by holding accountable providers who endanger the integrity of federal health care programs and the beneficiaries they serve."

The allegations arose from a lawsuit filed under the whistleblower provisions of the False Claims Act by Jayant Barai M.D. The False Claims Act permits private parties to sue for false claims on behalf of the United States and to share in any recovery. Dr. Barai will receive \$456,000 from the federal share of the settlement.

The government's pursuit of this lawsuit illustrates its efforts to combat healthcare fraud. One of the most powerful tools in this effort is the False Claims Act. Tips and complaints from all sources about potential fraud, waste, abuse, and mismanagement can be reported to the Department of Health and Human Services, at 800-HHS-TIPS (800-447-8477).

Acting U.S. Attorney Honig credited special agents of the HHS-OIG, under the direction of Special Agent in Charge Lampert; and special agents of the U.S. Attorney's Office for the District of New Jersey, under the direction of Special Agent in Charge Thomas Mahoney, with the investigation leading to the settlement.

The government is represented by Assistant U.S. Attorney Daniel Meyler of the Health Care Fraud Unit in Newark.

The lawsuit is captioned *United States ex rel. Barai v. Princeton Pathology Services, P.A., et al.* (D.N.J.). The claims settled by this agreement are allegations only, and there has been no determination of liability.

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