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Whistleblower turns to Obamacare to win Resize text A A A \$6.88 million settlement

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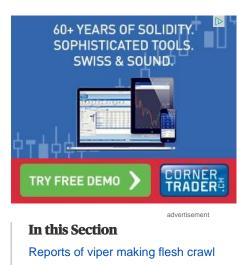
By Bill Rankin - The Atlanta Journal-Constitution

It wasn't long after Sheila McCray began working for PSA Healthcare when, a lawsuit unsealed Monday alleged, she discovered the Norcross company was sitting on millions of dollars of government overpayments.

PSA provides home nursing services to medically fragile children, often billing Medicare or Medicaid for the service.

McCray alleges that, when she voiced her concerns about the overpayments, upper management told her to hold off to see whether the government "caught" the errors. The billing specialist was then demoted, had her hourly wage cut, was intimidated by management and ultimately terminated, her lawyer said.

So McCray, of Loganville, became a whistleblower. She turned to the controversial law known as Obamacare.



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In the first such settlement under the Affordable Care Act, PSA Healthcare agreed Monday to pay a \$6.88 million settlement to resolve claims brought by McCray and another former PSA employee, Yvette Odumosu.

More than \$1.4 million of the settlement will go to the Georgia Department of Community Health. McCray and Odumosu will share \$1.1 million. Sixteen other states and the federal government also will share in the settlement.

The claims brought by McCray and Odumosu, once director of clinical nursing, alleged that PSA Healthcare failed to disclose and return overpayments, submitted claims under the Georgia Pediatric Program without proper documentation and submitted claims to federal health care programs that overstated the length of time that PSA staff provided services.

Atlanta attorney Raymond Moss, who represents McCray, said his client found an internal report that detailed the overpayments.

"Regardless of whether you're a Democrat, Republican or independent, you can't fault the Affordable Care Act for requiring healthcare companies to return overpayments," he said. "That's a fundamental thing they should be doing."

The Affordable Care Act, upheld this summer by the U.S. Supreme Court, includes provisions that enhance the government's efforts to recover overpayments and combat fraud. One such provision enables whistleblowers to bring false claims lawsuits against health care providers that do not return overpayments within 60 days after they've been identified.

"Participants in federal health care programs are required to actively investigate whether they have received overpayments and, if so, promptly return the overpayments," U.S. Attorney John Horn said. "This settlement is the first of its kind and reflects the serious



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obligations of health care providers to be responsible stewards of public health funds."

PSA Healthcare said it was "pleased that after cooperating fully with the government we have resolved an issue that arose in part from our own self-disclosure." This included "an internally identified billing error stemming from a software upgrade in 2008 that resulted in .08 percent of charges being billed incorrectly," the company said.

PSA Healthcare, which has more than 6,000 employees in 17 states, said it takes pride in its track record of compliance and will "work hard to get it right every single time."

During much of the time of the alleged abuse, PSA Healthcare was owned by Portfolio Logic, one of the defendants named in McCray's lawsuit and a party to the settlement. Portfolio Logic was managed by Jeffrey Zients, who serves as director of the National Economic Council and is assistant to the president for national policy.

In 2013, Zeints was brought in by the White House to fix the rash of technical problems with the Obamacare website, HealthCare.gov. In March, J.A Whitney Capital Partners, a private equity firm, purchased PSA Healthcare.

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