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Press Release

Steven M. Biskupic, United States Attorney for the Eastern District of Wisconsin, announced today that the United States reached a settlement with Odyssey HealthCare, Inc., a national provider of hospice services. Under the terms of the settlement, Odyssey has agreed to pay the government \$12,925,000. The settlement resolves allegations that Odyssey submitted false claims to Medicare for hospice services to patients who did not meet Medicare's criteria for hospice benefits. In particular, it was alleged that Odyssey admitted, provided services to, and failed to discharge Medicare beneficiaries who did not meet Medicare's requirement that the patients be terminally ill in order to receive hospice services.

Odyssey is one of the nation's largest for-profit providers of hospice services and is based in Dallas, Texas. Odyssey operates hospice programs in approximately 30 states, including Wisconsin. Hospice is a program to provide medical care during the last stage of life, including palliative care as well as psychological and spiritual support. The federal Medicare program covers hospice services if the Medicare beneficiary has a life expectancy of six months or less. Medicare has implemented guidelines to help doctors and hospice providers determine when a patient has six months or less to live.

The United States' investigation and civil settlement encompasses allegations brought by three former Odyssey employees pursuant to the whistle blower provisions of the federal False Claims Act. One of the whistle blowers, JoAnn Russell, a former regional clinical manager based in Wisconsin, filed

a *qui tam* action under the False Claims Act in the federal district court in the Eastern District of Wisconsin. Two whistle blowers, Frederick Colbert and Teresa Cotten, subsequently filed a *qui tam* in the federal district court for the Southern District of Texas. In particular, United States' settlement concerns the allegations that Odyssey knowingly submitted claims to Medicare for hospice services to Medicare beneficiaries who did not qualify for hospice care because the beneficiary did not have a life expectancy of six months or less.

The United States Department of Health and Human Services, Office of the Inspector General and Odyssey have also entered into a five year Corporate Integrity Agreement.

Assistant United States Attorneys Stacy Gerber Ward and Chris Larsen and Department of Justice Trial Attorneys John Neal and Rachel Irish handled the civil investigation. Assistant United States Attorney for the Southern District of Texas, Andrew Bobb, also participated in the investigation. Senior Counsel Jackie Baratian in the Office of Counsel to the Inspector General negotiated the Corporate Integrity Agreement. Federal agents from OIG and the Federal Bureau of Investigation participated in the investigation.

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For more information contact:

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