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ATTORNEY GENERAL RAOUL ANNOUNCES \$117 MILLION SETTLEMENT WITH UNITED HEALTH SERVICES, INC.

Illinois Will Receive More Than \$5 Million as Part of Medicaid Fraud Settlement

Chicago — Attorney General Kwame Raoul today announced a \$117 million settlement resolving fraud allegations against Universal Health Services, Inc. (UHS, Inc.) and UHS of Delaware, Inc. (collectively, UHS). Illinois will receive approximately \$5.38 million as part of the settlement that includes 50 states, territories and the federal government.

UHS, headquartered in King of Prussia, Pa., owns and provides management and administrative services to acute care inpatient psychiatric hospitals, and residential psychiatric and behavioral treatment facilities nationwide. UHS is one of the nation's largest providers of hospital and health care services.

Raoul and the impacted government entities allege that UHS violated the False Claims Act by allowing improper admissions and discharges at its inpatient and residential psychiatric and behavioral health care facilities, resulting in the submission of false claims to the Illinois Medicaid program.

"Today's settlement holds UHS accountable for taking advantage of vulnerable patients and Illinois taxpayers," Raoul said. "Patients at these facilities deserve quality care and treatment, and I am committed to ensuring that there is proper oversight to avoid fraud and guarantee patients receive the level of care they deserve."

The settlement resolves allegations that from Jan. 1, 2007, through Dec. 31, 2018, UHS and certain enumerated UHS entities submitted or caused to be submitted false claims for services provided to Medicaid beneficiaries as a result of UHS:

- Admitting beneficiaries who were not eligible for inpatient or residential treatment.
- Failing to properly discharge beneficiaries when they no longer needed inpatient or residential treatment.
- Implementing improper and excessive lengths of stay.
- Failing to provide adequate staffing, training, and/or supervision of staff.
- Billing for services not rendered.
- Improperly using physical and chemical restraints and seclusion.
- Failing to provide inpatient acute or residential care in accordance with federal and state regulations, including, failure to develop and/or update individualized assessments and treatment plans, failure to provide adequate discharge planning, and failure to provide required individual and group therapy.

Illinois is receiving approximately \$5.38 million, which will be distributed according to the Illinois False Claims Act with one-sixth of the funds paid to the Attorney General Whistleblower Reward and Protection Fund, and one-sixth of the funds paid to the State Police Whistleblower Reward and Protection Fund. Additional payments will be made to the whistleblowers in this lawsuit, with any remaining funds going to the state's General Revenue Fund.

"Thankfully, there are people willing to stand up for what's right, and they alerted authorities to the potential fraud. The ensuing cooperative investigation and recent settlement demonstrate the ISP's

commitment to protecting Medicaid recipients and State of Illinois resources,” Illinois State Police (ISP) Director Brendan F. Kelly said. “What’s most troubling about cases like this are the fact that it’s not just stealing from the state, it’s that they are stealing from the state’s most vulnerable citizens. The ISP Medicaid Fraud Control Bureau will continue to aggressively investigate these cases and work with the Illinois Attorney General’s Office to ensure the people who commit these acts are held accountable.”

Today’s settlement results from 18 whistleblower lawsuits originally filed in the United States District Court for the Middle District of Florida, Northern District of Illinois, Eastern District of Pennsylvania, Northern District of Georgia, Middle District of Georgia, Eastern District of Virginia, Western District of Virginia, Western District of Michigan, and Eastern District of Michigan. All but three of the cases were transferred to the United States District Court for the Eastern District of Pennsylvania.