

## IPC Healthcare Agrees to Settle Qui Tam Lawsuit Alleging Company Engaged in Fraudulent Medicaid and Medicare Billing Scheme; Agrees to Pay \$60 Million

---

Thursday, February 9, 2017

IPC Healthcare, formerly known as **IPC the Hospitalist Company (IPC)**, has agreed to settle a **False Claims Act** lawsuit that alleged that the company encouraged its physicians to submit billing codes for more expensive care than the services that were actually being administered. IPC then submitted these false claims to government healthcare programs, such as Medicare and Medicaid, for reimbursement. The case was filed by Bijan Oughatiyan, a physician who was employed by IPC from 2003 through 2008. IPC has agreed to resolve Oughatiyan's allegations for \$60 million. For his role as a whistleblower in filing this qui tam lawsuit, Oughatiyan is set to receive approximately \$11 million.

Founded in 1995, IPC was acquired by hospital staffing company Team Health Holdings Inc. in 2015. IPC employs more than 2,000 acute care physicians, known as hospitalists, within 1,900 medical facilities across 28 states. IPC is one of the leading hospitalist companies in the United States; in 2014, the company boasted over \$690 million in revenue.

Oughatiyan filed his lawsuit within the United States District Court for the Northern District of Illinois in 2009. Within his Complaint, Oughatiyan alleges that IPC engaged in a deceptive plan to increase reimbursement rates from government healthcare programs by providing training to hospitalists that encouraged the practice of upcoding. This scheme involved physicians submitting billing codes through IPC's electronic payment system for services that were more expensive than the actual care that was being provided. IPC would in turn submit these inflated bills to government healthcare programs for payment, effectively misappropriating taxpayer funds that are allocated to assist the most financially vulnerable individuals, as well as senior citizens.

Furthermore, the Complaint alleges that IPC engaged in a physician incentive plan by compensating hospitalists with financial bonuses that were based on the amount that they billed. In some instances, these bonuses exceeded a physician's base salary. Oughatiyan alleges that the company closely monitored the billing activities of the hospitalists and would individually address the physicians about their need to maintain certain billing rates. Additionally, IPC's electronic system allowed for its hospitalists to view the billing behaviors of other physicians to determine if they were billing at equal rates, and to assess areas where higher billing codes could be utilized.

© 2019 by Tycko & Zavareei LLP

**Source URL:** <https://www.natlawreview.com/article/ipc-healthcare-agrees-to-settle-qui-tam-lawsuit-alleging-company-engaged-fraudulent>



Article By  
[Tycko & Zavareei Whistleblower Practice Group](#)  
[Tycko & Zavareei LLP News](#)  
[Litigation / Trial Practice](#)  
[Health Law & Managed Care](#)  
[All Federal](#)