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Department of Justice
United States Attorney William C. Killian Eastern
District of Tennessee

**Apex Medical Group Will Pay \$4.36 Million to Resolve
Federal & State Health Care Fraud Investigation**

KNOXVILLE, Tenn. - A settlement was finalized this week with Apex Medical Group, P.C., d.b.a. Nephrology Consultants, a local nephrology physician practice group, and certain affiliated dialysis centers in Knox and surrounding counties. Apex Medical Group (Apex) agreed to pay \$4.36 million to settle alleged violations of the federal False Claims Act, the Tennessee Medicaid False Claims Act, and other federal and state laws and regulations.

A government investigation revealed that from at least 2001 through 2006 Apex submitted numerous false and fraudulent claims to government health programs, including Medicare and TennCare, for payment through a pattern of upcoding for various physician services. During that same time frame, the six dialysis clinics owned by Extracorporeal Technologies, Inc., and Fort Sanders Kidney Center, Inc., improperly submitted inaccurate claims to these government health programs for a variety of dialysis services.

"The federal False Claims Act is intended to provide a means for the government to recover moneys paid by federal programs to persons and companies who have knowingly sought and received funds to which they were not entitled," explained U.S. Attorney Bill Killian. The payment Apex must now make in connection with this settlement is to compensate both federal and state government health programs, for funds it received as a result of improper billing practices. "Public funds pay for the largest share of healthcare services provided in the United States and we must ensure that such funds are paid only when authorized by law," said U.S. Attorney Killian.

As part of this overall settlement, Apex and Dr. Naseemul Siddiqi have entered into a comprehensive five-year Integrity Agreement with the Office of Inspector General of the U. S. Department of Health and Human Services to ensure the future compliance of the Apex with federal health care benefit program requirements.

"This settlement is another example of our strong commitment to aggressively pursue health care providers who recklessly bill the Medicare program," said Derrick L. Jackson, Special Agent in Charge of the U.S. Department of Health and Human Services, Office of Inspector General in Atlanta, Georgia. "The Office of Inspector General and the U.S. Attorney's Office will continue to protect taxpayer dollars."

Tennessee Attorney General Bob Cooper said, "The successful resolution of this case required a high degree of cooperation between agencies. The coordinated pursuit of fraud is an essential component of a well-run healthcare system."

U.S. Attorney Killian further noted that this settlement resolves a comprehensive investigation into allegations regarding the Apex billing practices in an action filed on behalf of the United States and the State of Tennessee under the qui tam (commonly-known as the whistle-blower) provisions of the federal False Claims Act.

The investigative team whose diligent efforts resulted in this settlement was comprised of representatives

from the U.S. Department of Health and Human Services - Office of Inspector General (HHS-OIG), Federal Bureau of Investigation (FBI) , the U.S. Attorney's Office for the Eastern District of Tennessee, Tennessee Bureau of Investigation (TBI), and the Tennessee Valley Authority Office of Inspector General (TVA-OIG).

U. S. Attorney Killian commended all who participated in this complex investigation. He specifically noted the work of lead HHS-OIG Special Agent Tony Maffei, FBI Forensic Accountant/Certified Fraud Examiner LeAnn Lanz, TBI Special Agent Margaret Chiunard, and TVA-OIG Special Agent Elizabeth Sherrod, along with Assistant U.S. Attorneys Betsy Tonkin, Rob McConkey and Will Mackie, for their oversight of the parallel civil and criminal investigation for the United States Attorney's Office and Tennessee Deputy Attorney General Peter Coughlan.