

# Apria Healthcare Group to Pay \$40.5 Million to Settle Claims Brought by Susman Godfrey Whistleblower Clients

The Acting United States Attorney for the Southern District of New York announced yesterday that Apria Healthcare Group, Inc. and its affiliate, Apria Healthcare LLC (together, “Apria”) will pay \$40.5 million to resolve a lawsuit based on allegations of fraud made by Susman Godfrey LLP clients and former Apria employees, Benjamin Martinez Jr., Connie Morgan, and Chris Negrete. Apria agreed to the settlement to resolve the whistleblowers’ allegations that it submitted false claims to federal health programs.

In February 2017, the whistleblowers filed a complaint under the *qui tam* provisions of the False Claims Act (FCA), as well as other state false claims laws against Apria, alleging that the medical device company violated the FCA and state false claims laws.

In the lawsuit, the whistleblowers allege that Apria charged federal health programs, including Medicare and Medicaid, for rentals of non-invasive medical ventilators that were not being used by patients, or that were being used in a therapy mode that did not qualify for the billing codes used. The relators further alleged that Apria continued to bill the federal health programs even though patients were not using the devices. After investigating relators’ allegations, the United States government intervened in the case. The United States filed its own complaint, which closely tracks the allegations first made by Susman Godfrey’s clients.

Susman Godfrey partner Steven M. Shepard said, “We are proud of our three clients, who began this case when they came forward as whistleblowers and exposed Apria’s fraud. Their courage helped the United States recoup millions of taxpayer dollars.” Arun Subramanian, another Susman Godfrey partner on the case added, “especially during the current global crisis, Susman Godfrey is committed to aiding state and federal authorities in recovering funds wrongly taken from the public fisc.”

Benjamin Martinez Jr., Connie Morgan, and Chris Negrete are represented by Arun Subramanian, Steven M. Shepard, Bill Carmody, Mark Hatch-Miller, and Russell Rennie of Susman Godfrey LLP.

The case is *United States of America et al. ex rel. Martinez et al., v. Apria Healthcare Group, Inc., and Apria Healthcare LLC*, case number 17-cv-1059, in the U.S. District Court for the Southern District of New York.