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Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

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Arizona-Based TriWest Healthcare Alliance Corp. Agrees to Pay \$10 Million to Resolve False Claims Act Allegations Concerning the TRICARE Program

WASHINGTON - TriWest Healthcare Alliance Corporation, a contractor to TRICARE Management Activity, has agreed to pay \$10 million to resolve civil false claims allegations, the Justice Department announced today. TRICARE is the U.S. medical benefit plan which covers uniformed personnel, retirees, their dependents and reserve components.

The settlement resolves a lawsuit filed by four former TriWest employees, Judi Jerdee, Deborah Thornton, Linda Glasgow and Paige Fiorillo, under the *qui tam*, or whistleblower provisions, of the False Claims Act. The United States partially intervened in the case on Aug. 29, 2011. The United States and the *qui tam* plaintiffs allege that between 2004 and 2010, TriWest failed to give TRICARE the benefit of negotiated discounts with service providers under letters of agreement (LOAs). Notwithstanding contractually binding LOAs with health care providers, TriWest submitted claims to TRICARE at higher rates billed by the providers, failing to pass on to TRICARE the savings negotiated through the LOAs. Together, the *qui tam* relators will receive \$1.7 million as their share of the government's recovery.

"Those who overbill TRICARE threaten to undermine the health care provided to our men and women in uniform," said Tony West, Assistant Attorney General for the Civil Division of the Department of Justice. "At a time when the federal government must tighten its belt, settlements like this one help maintain important programs that people depend on."

"This office is committed to safeguarding the federal health care programs from fraud and false claims," said Melinda Haag, U.S. Attorney for the Northern District of California. "Ensuring that the programs receive the contractual savings and deductions to which they are entitled is essential to our commitment."

This settlement is part of the government's commitment to combating health care fraud. One of the most powerful tools in that effort is the False Claims Act, which the Justice Department has used to recover more than \$5.9 billion since January 2009 in cases involving fraud against federal health care programs. The Justice Department's recoveries in false claims act cases since January 2009 are more than \$7.5 billion.

The investigation and settlement of these matters were jointly handled by the Department of Justice's Civil Division and the U.S. Attorney for the Northern District of California, with assistance from the TRICARE Office of Program Integrity and the Department of Defense's Criminal Investigative Service.

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The case is *U.S. ex rel. Jerdee, Thornton, Glassgow and Fiorillo v. TriWest Healthcare Alliance Corp.*, C 08-4096 SI (N.D. Cal.).

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