

THE UNITED STATES ATTORNEY'S OFFICE  
SOUTHERN DISTRICT *of* FLORIDA

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**Department of Justice**

U.S. Attorney's Office

Southern District of Florida

FOR IMMEDIATE RELEASE

Friday, April 30, 2021

## **Miami-Based CareCloud Health, Inc. Agrees to Pay \$3.8 Million to Resolve Allegations that it Paid Illegal Kickbacks**

MIAMI – CareCloud Health, Inc. f/k/a CareCloud Corporation (CareCloud), a Miami-based developer of electronic health records (EHR) software products and related services, has agreed to pay \$3,806,966.70 to resolve allegations that it paid unlawful kickbacks to generate sales of its EHR products.

The United States alleged that CareCloud violated the False Claims Act and the Anti-Kickback Statute through its marketing referral program called the “Champions Program.” In particular, it is alleged that between January 1, 2012 and March 31, 2017, CareCloud offered and provided its existing clients cash equivalent credits, cash bonuses and percentage success payments to recommend CareCloud’s EHR products to prospective clients. Existing clients who participated in the Champions Program (“participants”) executed written agreements prohibiting them from providing negative information about CareCloud’s EHR products to prospective CareCloud clients. Prospective CareCloud clients were not told about this referral-kickback arrangement or about the contract that prohibited participants from sharing negative company information with them.

The United States alleged that CareCloud’s payments to participants violated the federal Anti-Kickback Statute. In addition, the United States alleged that CareCloud violated the False Claims Act because the kickback payments rendered false the claims submitted by CareCloud for federal incentive payments under the Medicare and Medicaid Electronic Health Records Incentive Programs (also known as Meaningful Use Programs) and the Merit-Based Incentive Payment System (also known as MIPS).

CareCloud was acquired by MTBC, Inc. (MTBC), a public company, in January 2020. CareCloud has discontinued the prior version of the marketing referral program that is the basis for this settlement.

Juan Antonio Gonzalez, Acting United States Attorney for the Southern District of Florida, and Omar Pérez Aybar, Special Agent in Charge, U.S. Department of Health and Human Services, Office of Inspector General (HHS-OIG), announced the settlement.

“Product functionality, reliability, and safety should drive a medical software company’s success, not illegal kickbacks paid to promote its products,” said Acting United States Attorney Gonzalez. “There is simply no place for kickbacks in our country’s healthcare system. Companies who ignore this will be held accountable.”

“Medical software executives who unlawfully promote the capabilities of their electronic health record technology, and pay others to do the same, diminish their credibility and waste taxpayer money,” said Special Agent in Charge Pérez Aybar. “My Office will continue to investigate such actions to protect the funding for federal health care programs.”

The settlement resolves allegations in a lawsuit filed by Ada De La Vega in federal court in Miami, Florida. The lawsuit was filed under the *qui tam*, or whistleblower, provisions of the False Claims Act, which permit private individuals to sue

on behalf of the government for false claims and to share in any recovery. The Act allows the government to intervene and take over the action, as it did in this case. The whistleblower share to be awarded in connection with the settlement is \$803,269,97.

HHS-OIG investigated the matter. Assistant United States Attorney Matthew J. Feeley handled the litigation.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at [www.usdoj.gov/usao/fla](http://www.usdoj.gov/usao/fla).

Related court documents and information may be found on the website of the District Court of the Southern District of Florida at [www.flsd.uscourts.gov](http://www.flsd.uscourts.gov) or on <http://pacer.flsd.uscourts.gov> under case number 17-cv-23762.

**Note:** A copy of the settlement agreement is available [here](#).

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**Topic(s):**

False Claims Act

**Component(s):**

[USAO - Florida, Southern](#)

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