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Eastern District of Pennsylvania

FOR IMMEDIATE RELEASE

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Philadelphia Personal Injury Law Firm Agrees to Start Compliance Program and Reimburse the United States for Clients' Medicare Debts

PHILADELPHIA – U.S. Attorney William M. McSwain announced today that a Philadelphia personal injury law firm, Rosenbaum & Associates, and its principal, Jeffrey Rosenbaum, Esq., have entered into a settlement agreement with the United States to resolve allegations that they failed to reimburse the United States for certain Medicare payments the government had previously made to medical providers on behalf of firm clients who sought medical care.

The government's investigation arose under the Medicare Secondary Payer provisions of the Social Security Act, which authorizes Medicare, as a secondary payer, to make conditional payments for medical items or services under certain circumstances. When an injured person receives a settlement or judgment, Medicare regulations require entities who receive the settlement or judgment proceeds, such as the injured person's attorney, to repay Medicare within 60 days for its conditional payments. If Medicare does not receive timely repayment, these same regulations permit the government to recover the conditional payments from the injured person's attorney and others who received the settlement or judgment proceeds.

At various points before March 2017, Medicare made conditional payments to healthcare providers to satisfy medical bills of nine of the firm's clients, at least one of whom had declared bankruptcy. Between May 2011 and March 2017, Medicare demanded repayment of the Medicare debts incurred from those conditional payments.

Under the terms of the settlement agreement, Rosenbaum agreed to pay a lump sum of \$28,000. Rosenbaum also agreed to (1) designate a person at the firm responsible for paying Medicare secondary payer debts; (2) train the designated employee to ensure that the firm pays these debts on a timely basis; and (3) review any outstanding debts with the designated employee at least every six months to ensure compliance. In addition, Rosenbaum acknowledged that any

failure to submit timely repayment of Medicare secondary payer debt may result in liability for the wrongful retention of a government overpayment under the False Claims Act.

This settlement agreement should remind personal injury lawyers and others of their obligation to reimburse Medicare for conditional payments after receiving settlement or judgment proceeds for their clients. “When an attorney fails to reimburse Medicare, the United States can recover from the attorney—even if the attorney already transmitted the proceeds to the client,” said U.S. Attorney William M. McSwain. “Congress enacted these rules to ensure timely repayment from responsible parties, and we intend to hold attorneys accountable for failing to make good on their obligations.”

The case was handled by Assistant U.S. Attorney Michael S. Macko, with assistance from the United States Department of Health and Human Services, Office of the General Counsel, Region III.

Component(s):

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