



Department of Justice

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ILLINOIS DENTAL MANAGEMENT COMPANY TO PAY \$3 MILLION TO SETTLE ALLEGATIONS OF IMPROPER BILLING, DENTIST REGISTRATION

Springfield, Ill. – An Illinois company that manages dental practices in 12 states and its chief executive officer have agreed to pay \$3,000,000 to the U.S. and Illinois under terms of two settlement agreements announced today by Rodger A. Heaton, U.S. Attorney for the Central District of Illinois. Heartland Dental, Inc., which has its headquarters in Effingham, Illinois, and Richard E. Workman, Heartland’s CEO, have agreed to pay \$1,650,000 to resolve allegations of improper billing to Illinois Medicaid. In a related settlement, Heartland Dental will pay the U.S. \$1,350,000 to resolve allegations that newly hired dentists issued prescriptions prior to registration with the Drug Enforcement Administration as a means to generate revenue for Heartland.

Under terms of the settlements, while denying the allegations and legal claims, Heartland resolves allegations that from August 1999 through October 2005, it falsely billed Illinois Medicaid for certain procedures: submitting claims for crown buildups, non-covered services, as restorations and claims for surgical extractions which were or should have been simple extractions. The settlements also resolve allegations that Heartland Dental allowed newly hired dentists to use the DEA registration of other Heartland dentists to issue prescriptions prior to their proper registration with DEA.

U.S. Attorney Heaton stated, “This multi-million dollar settlement is the latest successful result by our outstanding health care fraud team. We remain committed to work together with our partners to recover monies that have been improperly diverted from Medicare and Medicaid, and where appropriate, seek criminal and civil penalties for those who benefit from the unlawful diversions.”

“We will continue to be vigilant in our efforts to make sure all providers in the Medicaid program follow the rules when billing the Program for services rendered,” said Illinois Attorney General Lisa Madigan. The Attorney General’s office represented the interests of the Illinois Medicaid program in this matter.

Heartland Dental will pay \$1.65 million to the U.S. and Illinois related to a “whistle blower” *qui tam* lawsuit filed in 2003 by Lori Jamison under the federal False Claims Act and Illinois’ Whistleblower Reward and Protection Act. These acts permit private citizens to bring lawsuits on behalf of the United States or the State of Illinois and receive a portion of the proceeds of any settlement or judgment awarded against a defendant. Ms. Jamison, a former employee of one of Heartland’s predecessor entities, will receive \$412,500 as her share of the settlement. Heartland has further agreed to pay Jamison an additional \$325,000 for dismissal of additional claims, including expenses, attorney’s fees and related costs.

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The Controlled Substances Act requires all healthcare providers, including dentists, who elect to distribute controlled substances, to register with the U.S. Attorney General through DEA. Healthcare providers are assigned a registration number which the provider uses to issue prescriptions for controlled substances. Prescriptions are invalid without the registration number.

The allegation that Heartland Dental misused DEA registration numbers resulted in pharmacies unwittingly submitting claims to Medicaid for invalid prescriptions. There were no allegations the prescriptions at issue were not otherwise medically necessary or that any patients were injured as a result of the prescriptions.

Under terms of a five-year consent decree with DEA, Heartland Dental is prohibited from violating the Controlled Substances Act and agrees to permit DEA investigators to conduct administrative inspections as necessary to confirm compliance with the act without requiring the investigators to attain administrative inspection warrants.

“We take seriously the abuse and misuse of DEA registration numbers in the prescribing of controlled substances,” stated Gary G. Olenkiewicz, Special Agent in Charge of the DEA’s Chicago Field Division. “The DEA appreciates our law enforcement partnership and commitment with the FBI, Illinois State Police, the Illinois Attorney General’s Office, U.S. Department of Health and Human Services and the United States Attorney’s Office that made this a successful investigation.”

FBI Special Agent in Charge Karen E. Spangenberg said, “Fraudulent health care billing is a multi-billion dollar business which undermines the credibility of the health care system. As a result, a great deal of emphasis is placed on recovering proceeds through restitution and civil settlements. All of the agencies which participated in this investigation should be commended for their tireless efforts and resulting recovery. And, the Relator should be commended for coming forward and refusing to turn a blind eye to improper business practices.” Health care fraud investigations are among the highest priority investigations within the FBI’s White Collar Crime Program. The FBI conducts between 2,000 and 3,000 new health care fraud investigations each year, by leveraging resources in both the private and public arenas, through partnerships with various federal, state and local agencies.

As part of the civil settlement agreements, Heartland Dental has also entered into a five-year corporate integrity agreement with the U.S. Department of Health and Human Services Office of Inspector General. Provisions of the agreement require that Heartland Dental Care Inc. continue its compliance program which it voluntarily established and ensure that its compliance program include the specific requirements described in the agreement. A compliance officer was appointed and a compliance committee established. The compliance officer is responsible for developing and implementing policies, procedures and practices designed to ensure compliance with the corporate integrity agreement and with federal health care program requirements. The compliance program further requires Heartland Dental fulfill reporting requirements to the U.S. Department of Health and Human Services Office of Inspector General.

Heartland Dental, incorporated in 2006, is the successor company to Dental Health Resources, LLC; Dental Health Resources, Inc.; and, Heartland Dental Development, Inc. From 1999 through 2006, these companies managed a number of dental practices, entities, dentists and employees. Richard E. Workman is the president and chief executive officer of Heartland Dental Care, Inc., and was in charge of the related companies prior to the incorporation of Heartland Dental.

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The investigation and negotiations with Heartland Dental were conducted by the U.S. Attorney's Office for the Central District of Illinois; the Drug Enforcement Administration; the Office of Inspector General of the U.S. Department of Health and Human Services, the Illinois State Police Medicaid Fraud Control Unit; Illinois Attorney General's Office; and the Federal Bureau of Investigation.

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