

Carlton Fields Wins Appeals Court Victory in False Claims Act Case

January 25, 2018

Tampa, Fla. – Carlton Fields announced today that the United States Court of Appeals for the Eleventh Circuit affirmed a lower court’s dismissal of claims with prejudice against Chapters Health System (“Chapters”), the largest provider of hospice services in Hillsborough County, Florida. The case brought by relator Nancy Chase alleged substantive violations of the federal and Florida False Claims Acts. Chase was an employee of LifePath Hospice, Inc. a Chapters subsidiary. The appeals court’s decision brings an end to an eight-year, bitterly fought litigation. “This long-awaited decision supports what both federal and state officials decided when they declined to join the suit,” said Adam Schwartz, Carlton Fields’ white collar practice group chair and attorney for Chapters. “The district court decided the allegations regarding Chapters’ admission and billing practices were meritless and the Eleventh Circuit Court has now wholeheartedly agreed,” added Schwartz. “Chapters is pleased that it can put this matter behind it and continue to focus on doing what it does best: providing compassionate care for our patients who need it the most.” The qui tam suit, which alleged false claims, conspiracy, discrimination, and retaliation, was filed under seal in 2010 and amended multiple times over the course of the following years. In 2015, the United States and the State of Florida declined to intervene on the relator’s behalf and the suit was unsealed. A year later, in September of 2016, the District Court for the Middle District of Florida dismissed the complaint, finding that it failed to meet pleading standards for fraud related to the False Claims Act and likewise failed to state a claim for the remaining counts of conspiracy, discrimination, and retaliation. In its current ruling, the Eleventh Circuit affirmed the district court’s dismissal of all counts. The court also agreed with the lower court’s decision to reject the relator’s bid to amend her complaint by dismissing the complaint with prejudice. “The court was very decisive,” said Schwartz. “Clearly, the Eleventh Circuit has no appetite to hear any more on this subject. It has affirmed each and every one of the lower court’s decisions and refused to allow an amended complaint. Justice has been served and this matter is closed.” “We are so pleased that this protracted ordeal has finally reached closure,” said Darrell White, General Counsel of Chapters Health System. “We are thankful to our

legal counsel who've consistently and effectively defended us, and we are grateful to the district and circuit judges for reaching a just and resolute decision.”

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