

Closing the Chapter on Generalized False Claims

WHITE COLLAR CRIME & GOVERNMENT INVESTIGATIONS | APPELLATE & TRIAL SUPPORT | SEPTEMBER 20, 2019



Joseph H. Lang Jr.



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After eight years of bitterly fought litigation, Carlton Fields assisted hospice provider Chapters Health System Inc. to defeat a \$320 million whistleblower suit. The firm's White Collar Crime and Governmental Investigations Group helped our client to continue providing compassionate care for patients who need it the most.

Nancy Chase, a former social worker with Chapters subsidiary LifePath Hospice, alleged substantive violations of the federal and Florida False Claims Acts in a sealed complaint filed in 2010. Six years later, after five iterations of the complaint, the federal district court dismissed Chase's fourth amended complaint with prejudice. The court agreed with Chapters that Chase lacked firsthand knowledge of Chapters' billing practices, finding her allegations of fraud lacked the requisite specificity despite all her previous amendments and the more than 170 allegations in her 41-page complaint.

On appeal, the Eleventh Circuit's three-judge panel unanimously affirmed the district court's ruling. "Although Ms. Chase details a scheme, her complaint does not include specific examples of the conduct she describes or allege the submission of any specific fraudulent claim," the appeals court wrote. "Neither does she allege the basis of her knowledge of the defendants' fraudulent billing practices - a process she was far removed from as a social worker."

Chase appealed her case to the U.S. Supreme Court and attempted to manufacture a circuit split where none existed. The Supreme Court agreed and denied Chase's petition for certiorari.

For Chapters, the win at all three levels of review provides long-awaited comfort and closure - services the hospice provider is known for providing to others - and allows it to continue to focus on doing what it does best: providing compassionate care for patients who need it the most.

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