

California and Illinois: Healthcare Fraud Against Private Insure

The federal False Claims Act and State False Claims Act are generally limited to misconduct involving government programs. However, two states, California and Illinois, have laws that allow whistleblowers to pursue claims involving insurance fraud against private insurance companies.

The California Insurance Fraud Prevention Act and Illinois Insurance Claims Fraud Prevention Act allow whistleblowers to file *qui tam* lawsuits against companies or individuals that have defrauded private insurance companies. These laws are designed to encourage those with knowledge of insurance fraud to take action, and a whistleblower who successfully pursues claims is given a share of the recovery. In some circumstances, the California law allows whistleblowers to receive up to 50 percent of the recovery.

The California and Illinois laws are similar in many respects to the federal and state False Claims Acts. For example, both the insurance fraud and false claims laws prohibit similar types of misconduct, including:

- Kickbacks: It is generally illegal to pay any type of kickback intends to influence medical decision-making. For example, providers are prohibited from paying kickbacks to others for patient referrals. In addition, a company cannot pay kickbacks to a provider to induce the provider to use a product manufactured by the company.
- Billing for medically unnecessary services.
- Billing for services not performed.
- Upcoding: charging for a more expensive service or test than what actually took place.
- Billing for services performed by a provider who lacks proper credentials.

While the False Claims Acts prohibit fraud against the government, the California Insurance Fraud Prevention Act and Illinois Insurance Claims Fraud Prevention Act are unique because they authorize whistleblowers to pursue claims involving misconduct committed against private insurance companies. This significantly expands the potential scope of whistleblower cases in California and Illinois because most Americans receive healthcare coverage through private insurance companies.

Our lawyers are not admitted in all jurisdictions across the country. If we agree to pursue a case in a jurisdiction where we are not admitted, we will work with local counsel in your case and seek to be admitted *pro hac vice*.

To schedule a free and confidential consultation call 888.384.2588 or click here.