



# Department of Justice

FOR IMMEDIATE RELEASE  
WEDNESDAY, NOVEMBER 14, 2007  
[WWW.USDOJ.GOV](http://WWW.USDOJ.GOV)

CIV  
(202) 514-2007  
TDD (202) 514-1888

## **Stryker Corp. & Physiotherapy Associates to Pay U.S. \$16.6 Million for Alleged False Claims to Federal Health Care Programs**

WASHINGTON - Kalamazoo, Mich.-based Stryker Corporation and its former outpatient therapy division, Physiotherapy Associates Inc., have agreed to pay the United States \$16.6 million to settle allegations that Physiotherapy submitted false claims to Medicare and other federal health care programs, the Justice Department announced today.

The settlement resolves allegations that Physiotherapy, which is based in Memphis, Tenn., submitted claims for services to Medicare, state Medicaid programs, and the Department of Defense's TRICARE program that were falsely billed as one-on-one services and that Physiotherapy improperly retained excess or duplicate payments it received from federal health care programs. Under the terms of the settlement, Physiotherapy agreed also to enter into a corporate integrity agreement with the Office of Inspector General for the Department of Health and Human Services.

"Submitting false claims to our nation's health care programs is tantamount to stealing from the American taxpayer," said Peter D. Keisler, Assistant Attorney General for the Civil Division. "Today's settlement sends a strong signal that the government aggressively pursues those who engage in such conduct and makes them pay a steep price for their misdeeds."

The settlement resulted from two qui tams, or whistleblower suits, filed by private citizens against Stryker and Physiotherapy. Both of the whistleblowers, Kerry Deering and Wendy Whitcomb, were employees of Physiotherapy. As a result of today's settlement, the two will receive nearly \$3 million. Under the whistleblower provisions of the False Claims Act, private parties can file an action on behalf of the United States and receive a portion of the proceeds of a settlement or judgment awarded against a defendant.

"This settlement is a reflection of our office's commitment to protecting the integrity of the Medicare system," said Michael J. Sullivan, U.S. Attorney for the District of Massachusetts. "The conduct in this case, which included billing for services not covered, and retaining overpayments from federal healthcare programs, is unacceptable."

"This case underscores the commitment of this office to vigorously investigate and prosecute qui tam suits, said David F. Kustoff, U.S. Attorney for the Western District of Tennessee. "The amount paid to settle this litigation should serve as a deterrent to other health care providers who seek to defraud federal health care programs."

The resolution of these two cases was achieved by the Justice Department's Civil Division, Commercial Litigation Branch, and the U.S. Attorney's Offices for the District of Massachusetts and the Western District of Tennessee.

###

07-918