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# PRESS RELEASE

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## Philips Subsidiary to Pay Over \$24 Million to Settle False Claims Allegations

**BALTIMORE, MD (March 28, 2023)** – Maryland Attorney General Anthony G. Brown announced today that Maryland has joined with other states and the federal government in reaching an agreement with Philips RS North America LLC, (formerly known as Respironics Inc.), a manufacturer of durable medical equipment (DME) based in Pittsburgh, Pennsylvania.

[The settlement](#) resolves False Claims Act allegations that Respironics misled federal health care programs by paying kickbacks to DME suppliers. Philips agreed to pay over \$24 million to resolve the allegations that affected Medicare, Medicaid, and TRICARE, which is the health care program for active military and their families. Under the settlement, the state of Maryland received \$139,772.07.

Specifically, the settlement resolves allegations that from November 1, 2014, through April 30, 2020, Respironics caused DME suppliers to submit false claims to the Medicaid program for ventilators, oxygen concentrators, CPAP and BiPAP machines, and other respiratory-related medical equipment. These claims were tainted by unlawful remuneration, in the form of physician prescribing data (known as “Health Market Science data” or “HMS”), provided free of charge by Respironics to these DME suppliers, knowing that this data may be of significant value to DME suppliers in their own marketing efforts.

This settlement arises from a qui tam action originally filed in October 2019, and then amended in November 2019, in the United States District Court for the District of South Carolina under the federal False Claims Act and various state false claims statutes.

“Submitting false claims for reimbursement to the State is fraud, and unlawfully siphons money away from critical government programs and operations that serve the needs of Maryland residents,” said Attorney General Brown. “We’re pleased that under this settlement, programs that serve healthcare needs, particularly of vulnerable Marylanders, will receive their money back.”

Attorney General Brown thanks the Maryland Medicaid Fraud Control Unit and Assistant Attorney General Jawaria Gilani for their work on this case.

The Medicaid Fraud Control Unit in the Maryland Office of the Attorney General receives 75 percent of its funding from the U.S. Department of Health and Human Services under a grant award totaling \$4,908,456 for Federal fiscal year (FY) 2023. The remaining 25 percent, totaling \$1,636,148 for FY 2023, is funded by the State of Maryland.

<https://www.marylandattorneygeneral.gov/press/2023/032823a.pdf>