



STATE OF  
CONNECTICUT



**GEORGE JEPSEN**  
ATTORNEY GENERAL

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COMMISSIONER

Connecticut Benefits From Settlement  
With WellCare on Medicaid Fraud Charges

*For immediate release*

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HARTFORD – Attorney General George Jepsen and Social Services Commissioner Roderick Bremby said Connecticut stands to receive \$1.56 million from a Medicaid fraud settlement with WellCare, a Florida-based health maintenance organization.

Connecticut joined eight other states and the federal government in the \$137.5 million settlement announced by the U.S. Department of Justice. WellCare had contracts with the various states' Medicaid programs to provide managed care services to enrolled program beneficiaries. The Medicaid program is funded jointly by the federal and state governments.

WellCare agreed to pay the \$137.5 million, plus interest, in four installments over three years. About \$3.16 million of the settlement amount is attributable to the Connecticut Medicaid program, of which the state's net share is about \$1.56 million.

"This is a good result because it sends a clear message," Attorney General Jepsen said. "Abuse of the public trust will not be tolerated and companies that do so will face prosecution."

Commissioner Bremby said, "WellCare's unacceptable practices are thankfully in the past with respect to Connecticut. In fact, the Malloy/Wyman administration has moved away from Medicaid managed-care organizations altogether, in favor of a single administrative contractor under the Department of Social Services. The Attorney General, the Chief State's Attorney and U.S. Department of Justice deserve credit for their role in bringing a portion of this settlement to Connecticut."

Chief State's Attorney Kevin T. Kane commended the Medicaid Fraud Control Unit in the Office of the Chief State's Attorney, the Office of the Attorney General and the Department of Social Services for their continued efforts to protect against waste, fraud or abuse in public programs.

The settlement resolves five whistleblower lawsuits charging WellCare with accounting fraud, falsification of records and other reports -- including number manipulation, and manipulation of

the enrollment of covered recipients by selective marketing -- and related misconduct.

Those civil lawsuits, including one pending in U.S. District Court in Connecticut, were filed under the *qui tam* provisions of the federal and certain state False Claims Act. Other cases are pending in federal and state courts in Florida.

In addition, as part of the settlement, WellCare has entered into a Corporate Integrity Agreement with the Office of Inspector General of the U.S. Department of Health and Human Services. This Agreement provides for on-going oversight of the corporation's rehabilitation for three years.

This is the second monetary settlement reached with WellCare since criminal and civil investigation of the company began in 2006. The federal government entered a Deferred Prosecution Agreement (DPA) with WellCare on May 5, 2009, which required the company to pay \$40 million in civil forfeiture and \$40 million in restitution for damages to Florida Medicaid and the Florida Healthy Kids program. This criminal investigation has also focused on several former key executives at WellCare. In March, 2011, five former executives were charged with conspiracy to commit Medicaid fraud and making false statements. Another former executive entered into a plea agreement in 2009.

Assistant Attorneys General Richard Porter, Stephen Courtney and Arnold Menchel, head of the Health Care Fraud department were among those assisting the Attorney General with the WellCare investigation.

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