



State of North Carolina

Department of Justice
PO Box 629
Raleigh, North Carolina
27602

Phone: (919) 716-6400
Fax: (919) 716-6750

ROY COOPER
ATTORNEY GENERAL

February 2, 2016

North Carolina Senate President Pro Tempore Phil Berger
North Carolina House of Representatives Speaker Tim Moore
Co-Chairs, Joint Legislative Commission on Governmental Operations

Senator Stan Bingham
Senator Shirley Randleman
Senator E.S. "Buck" Newton
Representative James Boles, Jr.
Representative Leo Daughtry
Representative John Faircloth
Representative Pat Hurley
Co-Chairs, Appropriations Subcommittee on Justice and Public Safety

North Carolina General Assembly
Raleigh, North Carolina 27601-1096

Re: G.S. §114-2.5; Report on Settlement Agreement for Stephen Wilkins,
LCSW; Report on Settlement Agreements for Millennium Labs

Dear Members:

G.S. §114-2.5 requires the Attorney General to report to the Joint Legislative Commission on Governmental Operations and the Chairs of the Appropriations Subcommittees on Justice and Public Safety regarding all settlements and court orders which result in more than \$75,000.00 being paid to the State. Pursuant to that statute, I am writing regarding the settlement of claims for Medicaid reimbursement to the State and Federal governments in the above-referenced matters. Pursuant to federal law (42 C.F.R. § 433.320) recoveries in these cases are shared on a pro rata basis by the State and Federal governments.

Stephen Wilkins, LCSW

The settlement resolves allegations that from July 12, 2012 through May 24, 2014, Wilkins knowingly billed Medicaid for multiple family members for participating in the same family therapy session on the same date of service and billed Medicaid for a family therapy session as family therapy for one or more participating members of the

same family and also as an individual therapy session or psychotherapy with patient and/or a family member session for one or more participating members of the same family on the same date of service.

Under the terms of North Carolina's settlement, the State of North Carolina will recover \$95,679.00. Of that amount the federal government will receive \$62,688.88 for North Carolina's federal portion of Medicaid recoveries. The North Carolina Medicaid Program will receive \$32,623.93 as restitution. Pursuant to G.S. § 108A-70.12(b)(3), the North Carolina Department of Justice will receive \$366.19 for investigative costs.

Millennium Labs (UDT)

The settlement resolved allegations that Millennium caused doctors to order excessive numbers of urine drug tests without patient assessments in violation of government healthcare program rules. It also alleged that Millennium provided free drug testing cups to doctors on the condition that the cups would be returned to Millennium for hundreds of dollars of additional testing in violation of anti-kickback laws. Millennium also was alleged to have submitted claims for genetic testing without individual assessments of need for particular patients.

Under the terms of North Carolina's settlement, the State of North Carolina will recover \$7,706,010.67. Of that amount the federal government will receive \$4,425,574.33 for North Carolina's federal portion of Medicaid recoveries. Pursuant to G.S. § 1-610, the qui tam plaintiffs whose whistleblower actions brought this matter to the government's attention will receive \$484,382.00 of North Carolina's recovery. The North Carolina Medicaid Program will receive \$1,408,404.85 as restitution and interest. In addition, pursuant to Article IX, Section 7 of the North Carolina Constitution and G.S. § 115C-457.1, the penalty portion of the settlement in the amount of \$1,357,181.88 will be paid to the Civil Penalty Forfeiture Fund for the support of North Carolina public schools. Pursuant to G.S. § 115C-457.2 and G.S. § 108A-70.12(b)(3), the North Carolina Department of Justice will receive \$15,233.81 for investigative costs and \$15,233.81 for costs of collection.

Millennium Labs (PGT)

The settlement resolves allegations that from January 1, 2012 through May 20, 2015, Millennium knowingly submitted or caused to be submitted claims to the Medicaid program by performing unnecessary pharmacogenetic testing because it was performed on a routine or preemptive basis and without an assessment of individual patient needs.

Under the terms of North Carolina's settlement, the State of North Carolina will recover \$194,587.34. Of that amount the federal government will receive \$112,519.10 for North Carolina's federal portion of Medicaid recoveries. Pursuant to G.S. § 1-610, the qui tam plaintiffs whose whistleblower actions brought this matter to the government's attention will receive \$13,324.55 of North Carolina's recovery. The North Carolina Medicaid Program will receive \$34,654.31 as restitution and interest. In addition, pursuant to Article IX, Section 7 of the North Carolina Constitution and G.S. §

115C-457.1, the penalty portion of the settlement in the amount of \$33,340.90 will be paid to the Civil Penalty Forfeiture Fund for the support of North Carolina public schools. Pursuant to G.S. § 115C-457.2 and G.S. § 108A-70.12(b)(3), the North Carolina Department of Justice will receive \$374.24 for investigative costs and \$374.24 for costs of collection.

We will be happy to respond to any questions you may have regarding this report.

Very truly yours,

A handwritten signature in black ink that reads "Kristi Jones". The signature is written in a cursive, flowing style.

Kristi Jones
Chief of Staff

cc: Kristine Leggett, NCGA Fiscal Research Division
Christy Agner, NCDOJ, Legislative Liaison
Nels Roseland, NCDOJ, Deputy Chief of Staff