

Philadelphia – United States Attorney Patrick L. Meehan announced today that the United States has partially intervened in a qui tam or whistle blower suit brought against Highmark, Inc., an insurance company. The suit, originally filed by Elizabeth Drescher, alleges that Highmark caused the filing of false Medicare claims. She alleges that the company knowingly underpaid the amounts due for care of certain Medicare beneficiaries under employer group health plans insured or administered by the company.

Highmark is a private insurance company that provides health insurance to individuals covered under various employer group health plans. In addition, Highmark has divisions that contract with the Department of Health and Human Services (HHS) to process Medicare claims.

Drescher, an employee of Highmark's private side insurance operations, alleges that she was directed in early 1996 to oversee the company's compliance with a 1995 agreement between the government and a number of Blue Cross and Blue Shield plans, including predecessors of Highmark, regarding the manner in which they processed what are known as Medicare Secondary Payer (MSP) claims. These are claims for certain Medicare beneficiaries where employer group health plans, not Medicare, are responsible for the primary payment of the claims, and Medicare is merely the secondary payer, paying for such items as deductibles not covered by the private insurance. The settlement was intended to address situations where Blue Cross and Blue Shield plans improperly underpaid the claims of Medicare beneficiaries and contained procedures aimed at avoiding similar problems in the future.

The relator's suit alleges that concerns about Highmark's MSP compliance were widely known within the company. According to the relator's suit, a Highmark Senior Vice President in September 1998 presented the problems with MSP compliance and estimates of potential liability to the company's executive committee, including the chief executive officer of the company.

Drescher alleges that the company, in effect, demoted her and removed her from all responsibility for MSP matters. She subsequently filed suit against the company on behalf of herself and the United States. The government intends to file a complaint against defendant Highmark.

The case is entitled United States ex rel. Drescher v. Highmark, Inc., et al., Civ. No. 00-CV-3513 (E.D. Pa.). It has been assigned to AUSA Nancy L. Griffin, U.S. Attorney's Office for the Eastern District of Pennsylvania and Trial Attorney Stanley Alderson from the Civil Division of the Department of Justice.