

## City of New York and NYC Health + Hospitals: Proving FCA Allegations Wrong

Katten litigators worked together to secure a US Court of Appeals affirmation of the District Court's dismissal with prejudice in this important False Claims Act case brought in the Federal District Court for the Southern District of New York.

An employee of the New York State Department of Health filed a "whistleblower" suit under the False Claims Act (FCA) against Katten clients, the City of New York and New York City Health and Hospitals Corporation (NYC Health + Hospitals). The state employee alleged that the City and NYC Health + Hospitals caused the State Department of Health to pay Medicaid claims that were not eligible for payment. The FCA contains a provision that permits a private citizen, called the relator, to bring a claim in place of the government bringing a claim. If the claim is successful, the relator receives a percentage of any payments required of the defendant in the case.

The allegations were serious, and our longtime clients believed them to be wrong. A Katten team of Health Care and Litigation attorneys, including partners Joseph Willey, Scott Resnik and Alan Brudner, jumped into action to examine the relator's claims and prepare motions to have those claims dismissed.

The Katten team was able to establish that the employee failed to plausibly allege any type of false claim under the FCA, and failed to meet the pleading standards of the Federal Rules of Civil Procedure. The case was dismissed with prejudice. This dismissal was then affirmed by the US Court of Appeals for the Second Circuit. This highly successful outcome saved the clients the time and resources that would have been required by protracted litigation.