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Department of Justice

U.S. Attorney's Office

District of Montana

FOR IMMEDIATE RELEASE

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Former Billings rheumatologist settles alleged health care fraud claims for \$2 million

BILLINGS – A former Billings rheumatologist and his business agreed to settle alleged civil False Claims Act violations regarding his practice for a \$2,070,664 total payment, Acting U.S. Attorney Leif M. Johnson said today.

Dr. Enrico Arguelles, a former rheumatologist, and his business, Arthritis and Osteoporosis Center (AOC), which closed in September 2018, entered into a civil settlement agreement with the U.S. Attorney's Office for the District of Montana on July 14, 2021. The terms of the settlement require Arguelles and AOC to pay a settlement amount of \$1,268,646 and to relinquish any claim to \$802,018 in Medicare payment suspensions that have been held in escrow for AOC since Oct. 11, 2017 by the Centers for Medicare and Medicaid.

"This civil settlement resolves claims of improper medical treatments and false billing to a federal program. Over billed and unnecessary claims, like the ones at issue in this case, drive up the costs for providing care to the people who really need it. Medical providers who attempt to enrich themselves by submitting false and exaggerated claims to federal health benefit programs, like Medicare, will be investigated and held responsible. I want to thank our office's team of health care fraud investigators, the Department of Health and Human Services Office of Inspector General and the FBI for their work on this case," said Acting U.S. Attorney Johnson.

"Patients and taxpayers expect physicians to make decisions based on medical necessity, not on boosting the physician's profits, as alleged in this case," said Special Agent in Charge Curt L. Muller of the U.S. Department of Health and Human Services Office of Inspector General. "Working with our law enforcement partners, we will hold accountable individuals who provide medically unnecessary treatments and pass along the cost to taxpayers."

The United States contended that it had certain claims against Arguelles and AOC arising from the diagnosis and treatment of rheumatoid arthritis, including the improper billing for MRI scans, improper billing for patient visits, and the use of biologic infusions such as Remicade for certain patients who did not have seronegative rheumatoid arthritis, from Jan. 1, 2015 through AOC's closure in September 2018.

The Settlement Agreement is neither an admission of liability by Arguelles or AOC, nor a concession by the United States that its claims are not well founded.

Assistant U.S. Attorney Michael A. Kakuk represented the United States in this matter, which was investigated by the U.S. Attorney's Office's Health Care Fraud Investigative Team, the Department of Health and Human Services Office of Inspector General and the FBI.

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Topic(s):

False Claims Act

Component(s):

USAO - Montana

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