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Attorney General Ashley Moody News Release

AG Moody's Medicaid Fraud Control Unit Secures More Than \$700,000 Through Multistate Action from Toxicology Laboratory



TALLAHASSEE, Fla.—Attorney General Ashley Moody's Medicaid Fraud Control Unit secured more than \$700,000 in a multistate action against Precision Toxicology, LLC d/b/a Precision Diagnostics, Inc. The action comes after allegations that Precision knowingly submitted or caused to be submitted false claims to federal healthcare programs related to urine drug testing that was not medically necessary or tainted by kickbacks.

Attorney General Ashley Moody said, "Our Medicaid Fraud Control Unit secured more than \$700,000 in a multistate action against a toxicology laboratory that submitted false claims to federal healthcare programs for drug tests that were not necessary or tainted by kickbacks. We will continue fighting against those that seek to take advantage of taxpayer-funded programs."

Precision is a toxicology laboratory that markets and performs laboratory UDT nationwide, primarily for substance use disorder and pain management providers. The multistate action alleged that claims Precision submitted to Medicaid were not medically reasonable and necessary for the diagnosis or treatment of an illness or injury or to improve the functioning of a malformed body member.

Specifically, Precision allegedly developed and implemented a policy and practice of utilizing non-allowable blanket orders for UDT without any physician making an individualized determination that the UDT was medically necessary or reasonable for the particular patients for whom the tests were ordered. It was also alleged that Precision provided free point-of-care UDT cups to physicians in exchange for UDT referrals, in violation of the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b).

A National Association of Medicaid Fraud Control Units Team investigated the allegations in conjunction with the Department of Justice and United States Attorneys Offices in Colorado, Connecticut and Maryland. The NAMFCU Team included representatives from the Offices of the Attorneys General for the states of Florida, California, Colorado, Connecticut, Louisiana, Maryland and Virginia.

Due to the multistate action, Precision will pay millions of dollars, plus interest, collectively to the United States, the District of Columbia, Florida and 42 other states to resolve the allegations set forth in three lawsuits filed by whistleblowers under the *qui tam* provisions of the False Claims Act, that allows private parties to bring suit on behalf of the government and to share in any recovery. Two of the cases are captioned *United States and Maryland ex rel. Hudak v. Precision Toxicology, LLC*, ELH-18-1510 (D. Md.) and *United States, Illinois and Minnesota ex rel. Buonauro v. Precision Diagnostics, LLC et al.*, ELH-21-3231 (D. Md). The third *qui tam* case against Precision, brought in the District of Colorado, remains partially sealed.

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The Florida Attorney General's Medicaid Fraud Control Unit investigates and prosecutes providers that intentionally defraud the state's Medicaid program through fraudulent billing practices. Medicaid fraud essentially steals from Florida's taxpayers. Additionally, the MFCU investigates allegations of patient abuse, neglect, and exploitation in facilities receiving payments under the Medicaid program.

The Florida MFCU is funded through a grant totaling \$30,510,157 for Federal Fiscal Year 2025, from the U.S. Department of Health and Human Services-Office of Inspector General. The Federal Share of these funds is 75% totaling \$22,882,620. The State Matching Share of these funds is 25% totaling \$7,627,537 and funded by Florida.