

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF CONNECTICUT**

UNITED STATES OF AMERICA,	:	
ex rel. EDWARD A. PERUTA,	:	CIVIL CASE NO:
	:	
Plaintiff,	:	FILED IN CAMERA AND
	:	UNDER SEAL PURSUANT TO
v.	:	31 U.S.C. § 3730(b)(2)
	:	
UNITED STATES DEPARTMENT OF	:	
VETERANS AFFAIRS,	:	
	:	
Defendant.	:	JULY 12, 2017

**COMPLAINT FOR DAMAGES AND INJUNCTIVE RELIEF
ARISING UNDER FALSE CLAIMS ACT**

1. Plaintiff Edward A. Peruta (“Peruta”) is a citizen of the United States with residences in San Diego, CA, Vero Beach, FL, and Rocky Hill, CT.

2. The Department of Veterans Affairs (VA) is an executive department of the United States statutorily mandated to administer laws providing benefits and other services to Veterans and the dependents and the beneficiaries of Veterans. 38 U.S.C. § 301.

3. Peruta brings this action on behalf of the United States pursuant to 31 U.S.C. § 3730(b)(1) to impose liability on the VA for knowingly and intentionally causing the presentation of false claims for payment of medical service and hospital care bills to The Centers for Medicare & Medicaid Services (CMS), a federal agency within the United States Department of Health and Human Services (HHS), in violation of 38 U.S.C. §§ 1703(a)(1)(C), 1729(a)(1).

4. Peruta served active duty in the United States Marine Corps from August 31, 1966, through August 27, 1969.

5. In 1985, the VA awarded Peruta a 100% rating for service-connected total disability permanent in nature.

6. The VA is mandated to provide hospital care and medical services to Peruta as a Veteran with a service-connected disability rated at 50% or more. 38 U.S.C. § 1710(a)(1)(B).

7. The VA found Peruta eligible for non-VA medical services and hospital care (“Fee Basis”) on October 1, 1986. 38 U.S.C. § 1703(a)(1)(C).

8. The VA continued Peruta’s Fee Basis eligibility on December 10, 1990, based upon three extenuating circumstances for hardship: “(1) In-house patient management problems (behavioral); (2) Patient becomes extremely tense when coming into VA hospitals; and (3) Patient cannot deal with coming into hospital.”¹

9. Without notice or justification, the VA terminated Peruta’s Fee Basis eligibility on October 15, 2009.

10. Peruta appealed the VA’s denial of his Fee Basis eligibility to the Board of Veterans Appeals (BVA).

11. Peruta’s entitlement to Fee Basis eligibility was upheld in a BVA decision dated April 4, 2014 (Citation Nr. 1414841, Docket No. 11-21 722) finding:

Accordingly, the October 15, 2009, denial of eligibility for a fee basis medical identification card was improper. Therefore, the Veteran is eligible for and entitled to a fee basis medical identification card for any and all medical treatment for which he would normally be qualified as a Veteran.

12. Peruta was born on January 21, 1949.

13. Peruta was awarded Social Security Disability in 1986.

¹ Details about Peruta’s history of VA Fee Basis eligibility are set forth in pending civil case *Peruta v. United States*, Docket No. 3:16-cv-2112(VLB) (D. Conn).

14. The United States is entitled to recover benefits from a “third-party payor” for services rendered to a Veteran at a VA hospital to the extent that such benefits would be recoverable if the service provider were not an agency of the United States. 38 U.S.C. § 1729(a)(1).

15. Benefits for services provided at a VA hospital may not be recovered from Medicare or Medicaid. *See United States v. Blue Cross and Blue Shield of Maryland, Inc.*, 790 F.Supp.2d 106, 107 (1992).

16. The VA has continuously caused Medicare to be billed for non-VA medical services and hospital care provided to Peruta.

17. Peruta has received bills from non-VA medical service and hospital care providers seeking deductibles, co-pays, and unpaid balances for medical treatment that Peruta “would normally be qualified as a Veteran” with a 100% rating for service-connected total disability permanent in nature to receive at a VA hospital.

18. Peruta has been reported to collection agencies for non-payment of the bills he has received from non-VA medical service and hospital care providers.

19. Medicare has paid bills for Peruta’s hospital care and medical services that are the statutory responsibility of the VA as the following examples demonstrate:

- a. CT Heart Physicians Inc. EKG (“CT Heart”) of Windsor, CT, invoiced Peruta for April 17, 2016, interpretations of an EKG by Dr. Walden (\$45), Dr. Dougherty (\$45), and Dr. Pareles (\$45).
 - i. The VA paid CT Heart \$9.08 for each interpretation performed by Dr. Dougherty and Dr. Pareles and \$0 for Dr. Walden’s interpretation.
 - ii. Medicare paid \$9.08 for each interpretation performed by Dr. Walden and Dr. Dougherty and \$1.15 for Dr. Pareles’s interpretation.

- iii. Peruta received a final notice from CT Heart dated April 17, 2017, informing him that if payment is not received in 10 days a collection action will begin.
- b. Hartford Healthcare invoiced Peruta \$1,156.69 for hospital services provided on September 30, 2016. Medicare payments and adjustments decreased the bill in the amount of \$1,114.48. VA payments and adjustments decreased the bill by \$216.39.
- c. Hartford Healthcare invoiced Peruta \$197 for an October 3, 2016, office visit with Dr. Finkelstein. Medicare payments and adjustments decreased the bill in the amount of \$52.77. Peruta's balance owed is \$52.77.
- d. Hartford HealthCare invoiced Peruta \$200.85 on May 9, 2017, for services received on November 30, 2016, at Hartford Hospital Electrophysiology and \$218 for services provided on November 30, 2016, by Dr. Kluger.
 - i. Medicare adjusted the Electrophysiology invoice downward in the amount of \$165.23 from \$200.85. Medicare paid \$28.37. VA payments indicate \$0 on the invoice. Peruta's balance owed is \$7.25.
 - ii. Medicare adjusted the Dr. Kluger invoice upward in the amount of \$150.53 from \$218. Medicare paid \$0. The VA adjusted the invoice amount downward in the amount of \$145.46 and paid \$72.54. Peruta's balance owed is \$150.53.
- e. Hartford Healthcare invoiced Peruta \$10,751.09 for hospital services performed by Dr. Golioto on February 21, 2017, to remove a cancerous tumor from Peruta's sigmoid colon. Medicare paid \$10,237.46. The VA paid \$0.

- f. Hartford Healthcare invoiced Peruta \$406.56 for services performed by Electrophysiology on March 1, 2017. VA payments and adjustments decreased the bill in the amount of \$346.45.
- g. Hartford Healthcare invoiced Peruta \$210 for services provided by D. Kluger on March 1, 2017. Medicare payments and adjustments decreased the bill in the amount of \$195.94.
- h. Hartford Healthcare invoiced Peruta \$25,360.95 and \$7,772 for hospital services provided between March 30, 2017, and April 1, 2017. Payments and adjustments decreased the bills in the amounts of \$24,044.95 and \$6,957.62, respectively. Upon information and belief, the VA did not pay \$24,044.95 or \$6,957.62 for Peruta's care.
- i. Integrated Anesthesia Associates LLC invoiced Peruta \$2,734.20 for services received on March 30, 2017. A Medicare adjustment decreased the bill in the amount of \$2,323.90. A National Government Services payment decreased the bill in the amount of \$326.90. Peruta's balance owed is \$83.40.
- j. Hartford Healthcare invoiced Peruta \$105,155.74 and \$5,188.60 for hospital services provided between April 26, 2017, and May 1, 2017, related to an emergency arrival at the hospital, Cardiac ICU intubation, catheterization, and cardiac ablation. Payments and adjustment decreased the bills in the amounts of \$181,407.03 and \$328.53, respectively. Upon information and belief, the VA did not pay \$181,407.03 or \$328.53 for Peruta's care.
- k. Hartford Cardiac Laboratory, P.C. invoiced Peruta \$800 for services and \$500 for care at Hartford Hospital on April 28, 2017. Medicare payments and adjustments

decreased the bills in the amounts of \$764.06 and \$506.40, respectively. The VA paid \$0. Peruta's balance owed is \$97.56.

20. Peruta does not have access to every record showing the source(s) of payment for his non-VA medical service and hospital care providers but will seek to amend this Complaint with such records as they are available.

21. Peruta has continuously written emails to and visited the Fee Basis office at the Veterans Hospital in Newington, Connecticut, to complain about the VA's non-payment of his medical service and hospital care bills.

22. Peruta has communicated with the two VA employees assigned to his case, Tracy Bloomquist, Fee Basis, Business Office, VACT Healthcare System, Newington, CT. and Jessica O'Neal, MSHA, Chief, Health Administration, VACT Healthcare System, Newington, CT, about the VA's non-payment of his medical service and hospital care bills.

23. Peruta told Bloomquist and O'Neal that the VA's non-payment of his medical service and hospital care bills caused the bills to be presented to Medicare for payment.

24. Bloomquist and O'Neal continued to knowingly and intentionally cause Peruta's bills for medical services and hospital care to be paid by Medicare in violation of 38 U.S.C. §§ 1703(a)(1)(C), 1710(a)(1)(B) despite Peruta's notice to them that he was entitled to VA Fee Basis.

25. The stress of visiting the Business Office at the VA hospital in Newington and communicating with Bloomquist and O'Neal by phone and email resulted in conduct symptomatic of the reasons for continuing Peruta's Fee Basis eligibility in 1990: "(1) In-house patient management problems (behavioral); (2) Patient becomes extremely tense when coming into VA hospitals; and (3) Patient cannot deal with coming into hospital."

26. In bringing this action on behalf of the United States of America, Peruta is entitled to an award of between no less than 15% and no more than 30% of the proceeds of the action collected by the United States of America as a result of the institution of this action, plus reasonable costs and attorney's fees associated with the prosecution of this claim.

WHEREFORE, Plaintiff United States of America, ex rel. Edward A. Peruta, prays that the Defendant be required to answer this Complaint and that a judgment be entered in favor of United States of America, ex rel. Edward A. Peruta, which awards Peruta damages in an amount three-times the amount of all sums paid by the United States of America arising from the Defendant's violations of 38 U.S.C. §§ 1703(a)(1)(C), 1729(a)(1), plus mandatory statutory penalties and treble damages pursuant to 31 U.S.C. § 3729(a); awards Peruta on his own behalf, 30% of the proceeds collected by United States of America as a result of the institution of this action, plus costs and attorney's fees incurred by Peruta as a result of bringing this action pursuant to the False Claims Act and awards such other and further relief as the Court deems appropriate.

Dated this 12th day of July 2017, at Harwinton, CT.

PLAINTIFFS
UNITED STATES OF AMERICA
ex rel. PERUTA

BY:

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