

Quest Diagnostics To Pay California \$241 Million to Settle Claims

By [Catherine Bertram](#)

05/23/2011

According to an [article](#) in the [Los Angeles Times](#), by Mark Lifsher, Quest Laboratories agreed to pay the State of California \$241million to resolve a lawsuit that was pending against them. The lawsuit alleged that [Quest](#) Diagnostics paid illegal kickbacks to doctors, hospitals and clinics for steering patients their way. [Quest denied any wrong doing.](#)

California has a law, similar to the federal law, called the California False Claims Act, which provides a cause of action that that can be filed when citizens believe a company is defrauding the state. Here, the lawsuit alleged that Medi-Cal, California's program for the poor and disabled, was overcharged by Quest Laboratories. This is reported to be the largest such settlement in California's history.

This is a great example of ordinary citizens working with the government to identify alleged fraud and to seek and obtain settlements that reimburse states for funds. There is a similar statute called the False Claims Act that is applicable for fraud in the federal setting. In health care it can involve claims of false billing for medicaid or medicare patients. It can involve drug companies and hospitals or medical device companies who overcharge the federal government.

About the author:

Catherine Bertram is board certified in civil trials. She has been recognized as one of the Best Lawyers in DC for Medical Malpractice. Ms. Bertram has over 20 years of trial [experience](#) and is unique in that she was formerly the Director of Risk Management for Georgetown University Hospital. Ms. Bertram is a member of the bar for the U.S. Supreme Court. Ms. Bertram is a partner with the firm and she lives in Washington, DC with her family. She has also recently published a chapter on informed consent in a surgical textbook. She can be reached by email at cbertram@reganfirm.com or by phone 202-822-1875 in her office in Washington, D.C.