DOJ Files FCA Complaint Against Vohra Wound Physicians

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On April 4, 2025, the Department of Justice ("DOJ") issued a press release regarding a complaint under the False Claims Act against Vohra Wound Physicians ("Vohra"), one of the United States' largest networks of wound care providers, alleging that Vohra engaged in a nationwide scheme to bill Medicare for medically unnecessary services. The complaint focuses on Vohra's alleged practices of: (1) "upcoding", or submitting codes for more serious (and more remunerative) procedures than those actually performed, (2) falsifying documentation for wound care services provided in Skilled Nursing Facilities ("SNFs"), (3) intentionally providing insufficient and misleading training to unqualified clinicians to facilitate improper behavior, and (4) requiring clinicians to meet performance quotas necessitating the provision of medically unnecessary services. For wound care providers, and facilities that contract with such providers, the DOJ's lawsuit against Vohra provides insight into the investigative concerns that can arise from certain billing, hiring, and treatment practices in these spaces.

Wound care is currently a high enforcement priority for the DOJ. In recent months, the DOJ has announced settlements regarding wound care providers' alleged use of medically unnecessary skin substitute grafts and allegations of upcoding for evaluation and management services. And the DOJ is not alone in its concerns about the wound care space. Accountable Care Organizations and regulators from the Center for Medicare & Medicaid Services ("CMS") have noted above-average increases in the costs of wound care supplies. CMS is also exploring revising Medicare product codes to draw clearer distinctions between skin substitute grafts and other wound care supplies

Although CMS recently delayed the implementation of restrictions on certain costly wound care supplies, the DOJ's history of enforcement actions against wound care providers indicates that the federal government will likely continue to scrutinize treatment and billing behaviors in this sector.

ALLEGATIONS IN THE VOHRA COMPLAINT

Vohra contracts with hundreds of SNFs across the United States to provide wound care services. Vohra's clinicians evaluate and treat patient wounds, and Vohra bills Medicare for the provided services. The complaint alleges that from 2017 onwards, Vohra engaged in fraudulent conduct intended to enable the submission and payment of improper claims related to wound debridement procedures. The government claims that Vohra facilitated these improper claims

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through a multistep process of inappropriate practices, all designed to systematically overbill Medicare for wound care services:

1. **Automated Upcoding**: Vohra allegedly developed a proprietary electronic health record system ("EHR") that severely limited the type, amount, and quality of information that physicians could record in a patient's medical record. In the context of debridements, which are procedures that surgically or non-surgically remove dead or unhealthy tissue from wounds in order to facilitate healing, the EHR allegedly did not differentiate between surgical and nonsurgical procedures and instead billed all debridements as more-expensive surgical excisional procedures, even when clinicians performed less intensive procedures.
2. **False Documentation Using Templates**: Vohra also allegedly programmed its EHR to automatically insert clinical verbiage into patient charts, including descriptions of the procedures performed by the treating physician, which was not drafted or reviewed by the treating physician. Allegedly, Vohra intentionally programmed this EHR feature in order to generate misleading documentation to support services billed to Medicare.
3. **Unqualified and Untrained Clinicians**: Vohra allegedly hired clinicians without wound care expertise and then provided them with insufficient and incomplete training. As a result, Vohra clinicians allegedly performed frequent, sometimes unnecessary, debridement procedures. Due to this alleged lack of training, clinicians also could not distinguish between different types of debridement and their corresponding CPT codes. Vohra also allegedly did not train clinicians on Medicare's billing and payment rules, instead assuring clinicians that the EHR would handle all coding and billing on the clinicians' behalf.
4. **Improper Pressure to Maximize Revenue**: The government claims that Vohra closely monitored clinicians' utilization and performance of debridement procedures to encourage clinicians to record higher-revenue services. Clinicians allegedly were rewarded or penalized based on their ability to meet a debridement volume quota, causing clinicians to overtreat patients or, in some cases, falsely document services.
5. **Improper Use of Modifier 25**: Modifier 25 indicates that a Current Procedural Terminology ("CPT") code for evaluation and management is separate and distinct from another procedure on the same date of service. According to the government, Vohra's EHR automatically added Modifier 25 whenever a clinician performed a debridement on one wound and examined other wounds, regardless of whether the clinician provided evaluation and management services that were separate and distinct from the debridement. This automated addition allegedly allowed Vohra to improperly double bill for evaluation and management.

Although the complaint has not yet been tested in court, the government's allegations are serious. Aside from the allegations asserted above, the DOJ also indicated concerns that Vohra's employee compensation scheme may be improper. This argument may be difficult to prove, at least to the extent the relevant individuals only received compensation from their direct employer, due to the protection offered by a statutory Anti-Kickback Statute safe harbor for compensation to "bona fide" employees. *See* 42 U.S.C. § 1001.952(i).

COMPLIANCE CONSIDERATIONS FOR PROVIDERS

Wound care providers may wish to consider the allegations directed at Vohra in order to bolster their own comprehensive compliance programs.

Centering Provider Judgment: Vohra's corporate structure, as described in the complaint, resembles a common model wherein a Management Services Organization ("MSO") offers administrative services to a network of provider corporations ("PCs") that treat patients. The DOJ's allegations assert that Vohra, which operated as an MSO, directed clinicians to provide care based on revenue targets, rather than to treat patients based on medical needs. Entities with similar PC-MSO structures may consider taking proactive steps to delineate between the roles of administrative personnel and clinicians in decision-making regarding patient care. As demonstrated in the complaint against Vohra, the appearance of profit motivations having an undue influence on a provider's clinical judgment may lead to the inference that the services provided were not medically necessary.

Establishing Claims Audit Procedures: The Vohra investigation centered on what appears as an obvious coding anomaly—that all of Vohra's debridement services were coded as the most invasive and costly sort of debridement. Although this complaint focuses on the use of upcoding specific to debridement procedures, the DOJ has demonstrated a continuous interest in investigating improper CPT coding and billing practices. Providers with proactive compliance programs can mitigate potential hazards in their billing systems by incorporating billing and technological safeguards into their claims processing and submissions. For example, claims scrubbing procedures may incorporate checks for problematic patterns on an ongoing basis (e.g., repeat billing for procedures that normally occur once; other suspiciously consistent or repetitive coding).

Ensuring Proper EHR Inputs and Outputs: Specialized EHRs can increase the efficiency of provider medical record documentation. It is important to ensure, however, that increased efficiency is not prioritized over accuracy. The DOJ alleges that Vohra's EHR software automatically added clinical verbiage to patient records to support the submitted claims. According to the government, this practice resulted in the creation of false documentation, allowing Vohra to evade scrutiny in the event of an audit. The presence of inaccurate clinical data can raise concerns during claims audits and, in circumstances like those alleged in this complaint, even create the appearance of intentional fraud.

Accordingly, it is important to ensure that EHR systems and documents reflect the best available data. When implementing "Smart Text" or "Smart Template" tools (which are increasingly commonplace in EHRs), both developers and providers should ensure that any automated or template wording is directly tied to the provider's actions and clinical judgment. In cases where EHR systems enter text by default, it may be important to include safeguards in the workflow for a provider's final review and signature. These safeguards can help ensure that the final record accurately reflects the patient's condition and the care the clinician provided.

Vetting Wound Care Providers: For SNFs and hospices that contract with wound care providers, the billing issues alleged by the DOJ would have been difficult to uncover. However, long term care providers should carefully vet wound care providers to ensure that properly trained clinicians are treating patients, and only medically necessary services are being provided.

HLB will continue to closely monitor developments in area and advise clients involved in this evolving regulatory environment.

RELATED CAPABILITIES

Government Investigations

False Claims Act

Fraud and Abuse, Stark, Anti-Kickback Counseling and Defense

Compliance

Skilled Nursing Facilities (SNFs) and Long-Term Care Providers

Physicians, Medical Groups, Medical Foundations, and Independent Practice Associations (IPAs)