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Vein Restoration Co. Will Pay \$4M To End False Claims Suit

By **Brian Steele**

Law360 (March 20, 2026, 4:49 PM EDT) -- The operators of a multistate network of vascular medicine clinics have reached a \$4 million settlement to resolve claims that they billed Medicaid, Medicare and Tricare for medically unnecessary vein treatment procedures over the course of seven years.

CVR Management LLC, based in Maryland, and related defendants will pay several states and the federal government to end False Claims Act suits over the billing conduct of Center for Vein Restoration clinics, which alleged fraudulent practices from January 2010 through December 2016. In a statement Friday, Connecticut Attorney General William Tong said the deal disposes of federal whistleblower actions in Maryland that include eight states and the District of Columbia as plaintiffs.

Surgical assistant Karen Fulton first filed the Maryland case in 2015, accusing her employer of "consistently and falsely" upgrading the supposed severity of patients' chronic venous insufficiency to justify reimbursement from government health programs, despite a lack of appropriate symptoms.

"Medicaid does not cover the treatment of varicose veins for cosmetic reasons alone. CVR knew this, but billed state Medicaid programs for medically unnecessary treatments anyway," Tong said in a statement. "Acting in coordination with our state and federal partners, we will continue to aggressively protect the integrity of our public healthcare programs."

A second complaint filed by an anonymous ultrasound technician, known as Jane Doe, in the Eastern District of Pennsylvania in 2018 was transferred to Maryland. The plaintiffs accused the clinics and their CEO of false claims under federal and state laws, as well as violations of the federal Anti-Kickback Statute.

The federal government, Connecticut, Florida, Indiana, Maryland, Michigan, New Jersey, New York, Virginia and the District of Columbia joined in the litigation. U.S. District Judge Paula Xinis dismissed the case Thursday at the parties' request.

The U.S. Attorney's Office for the District of Maryland, which represented the United States, said in a statement Friday that CVR, the Center for Vein Restoration, Center for Vascular Medicine LLC and CEO Dr. Sanjiv Lakhanpal agreed to the settlement. The federal share of the settlement is about \$3.4 million plus \$279,156.23 for Medicaid, the relators will receive \$752,000 and the eight states' Medicaid programs will collect \$325,208.84.

"Billing for medically unnecessary procedures saps public confidence in the health care system and is a drain on the public fisc," Maryland U.S. Attorney Kelly O. Hayes said. "We will hold accountable health care providers that knowingly engage in such conduct."

Christopher Dillard of the Department of Defense Office of Inspector General said in a statement that his office "will continue to safeguard the military community and aggressively work to help maintain public trust in TRICARE, the DoD's primary health care program."

Chronic venous insufficiency can cause varicose veins, cramping, swelling, skin discoloration, ulcers or necrosis of the legs, but the defendants were billing for procedures known as sclerotherapy, radiofrequency ablation and endovenous laser ablation that were not clinically indicated, the enforcers said in their statements.

The National Association of Medicaid Fraud Control Units conducted the negotiations on behalf of the states, according to Tong.

Lakhanpal told Law360 in a statement that the defendants did not admit to any wrongdoing.

"Throughout the investigation, we have cooperated with the government and maintained that our clinical decisions were based on medical necessity and supported by robust internal processes," he said. "We are resolving the dispute to avoid the time and cost of protracted litigation so we can continue to focus on patients."

He said the dispute "centered around clinical judgments about which reasonable physicians" can and do disagree.

An attorney for Fulton, Jay Holland of Joseph Greenwald and Laake PA, told Law360 that his client's decision to file a qui tam action against her then-employer was "a very brave thing to do."

"It takes guts," he said. "Our client, who was a medical assistant for CVR for many years, brought this forward because what she saw happening she knew was truly improper and it, frankly, bothered her significantly that Medicare and Medicaid were being billed for procedures that they shouldn't be billed for."

After the passage of more than a decade, "she is gratified that the right thing was eventually done and that recompense is being paid to the federal taxpayer," Holland said.

Counsel for Doe and representatives of the Florida, Indiana, Maryland, Michigan, New Jersey, New York, Virginia and District of Columbia attorneys general did not immediately respond to requests for comment.

The United States is represented by Tarra DeShields of the U.S. Attorney's Office for the District of Maryland.

The states are represented by Raja S. Mishra of the Maryland Office of the Attorney General.

Fulton is represented by Jay Holland and Veronica Nannis of Joseph Greenwald and Laake PA.

Jane Doe is represented by David Caputo of Youman & Caputo LLC.

Counsel information for the defendants was not immediately available.

The cases are United States of America et al. v. CVR Management LLC et al., case number 8:15-cv-03591, and Doe v. Center for Vein Restoration (MD) LLC et al., case number 8:20-cv-01943, in the U.S. District Court for the District of Maryland.

--Editing by Patrick Reagan.