CLIENT ALERTS & INSIGHTS

DOJ and HHS Launch Joint False Claims Act Working Group: Heightened Enforcement Risk Ahead for Healthcare and Government-Funded Entities

JULY 3, 2025

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The U.S. Department of Justice (DOJ) and the U.S. Department of Health and Human Services (HHS) have formed a new False Claims Act (FCA) Working Group, according to a joint announcement issued by DOJ on July 2, 2025. This Working Group institutionalizes collaboration between DOJ's Civil Division and designees representing U.S. Attorneys' Offices, and HHS's Office of Counsel to the HHS Office of Inspector General (HHS OIG) and the Centers for Medicare & Medicaid Services Center for Program Integrity. The stated goal is to strengthen enforcement against fraud involving federal healthcare programs and other government funding. The group will be jointly led by the HHS General Counsel, Chief Counsel to HHS OIG, and the Deputy Assistant Attorney General of the Commercial Litigation Branch.

The formation of this working group comes on the heels of DOJ's National Health Care Fraud Takedown on June 30, 2025, which resulted in criminal charges against 324 defendants. Ranging from telemedicine scams and genetic testing fraud to massive durable medical equipment (DME) kickback networks, the investigation uncovered alleged schemes targeting Medicare, Medicaid and other insurance programs to the tune of more than $14.6 billion in intended fraud. DOJ estimates that over $245 million in tangible assets have already been seized, and credits the use of cloud computing, artificial intelligence (AI), and proactive advanced data analytics to identify emerging healthcare fraud schemes.

The new DOJ-HHS FCA Working Group will focus on aligning civil enforcement priorities, sharing data analytics tools, and improving coordination to combat fraud, waste, and abuse. While the FCA has long been a key tool for civil healthcare enforcement, this development signals a more structured, proactive, and data-driven approach to identifying and prosecuting violators-especially in the healthcare and life sciences sectors.

HHS will make referrals to DOJ of potential violations of the FCA that reflect Working Group priorities. The Working Group's coordination will comprise of the following:

Enhanced Use of Data Analytics to Expedite Investigations: The agencies will rely more heavily on claims data, predictive modeling, AI, and pattern recognition to identify high-risk providers and billing anomalies across Medicare, Medicaid, and other programs akin to the ones used during the recent fraud takedown. This will be leveraged through HHS's enhanced data mining resources and HHS OIG audits, evaluations, and investigations findings to expedite ongoing matters and identify new leads.

Intensified Oversight of Priority Enforcement Areas: DOJ specifically called out Medicare Advantage (MA), signaling increased oversight around MA operations, pricing practices, and network compliance, and reflecting growing concerns about improper risk adjustment, quality reporting, and performance-based bonuses. Other priority enforcement areas include:

- Drug, device or biologics pricing, including arrangements for discounts, rebates, service fees, and formulary placement and price reporting;
- Barriers to patient access to care, including violations of network adequacy standards;
- Kickbacks related to drugs, medical devices, DME, and other products paid for by federal healthcare programs;
- Materially defective medical devices impacting patient safety; and
- Manipulation of Electronic Health Records systems to drive inappropriate utilization of Medicare covered products and services.

The Working Group is encouraging whistleblowers to identify and report violations of the FCA related to those priority enforcement areas. Health care companies are similarly encouraged to self-disclose potential violations in accordance with DOJ guidelines.

Finally, starting this month, monthly discussions within the group will also explore whether HHS should implement payment suspensions in specific cases or whether DOJ should dismiss certain whistleblower complaints in accordance with established legal frameworks and the Justice Manual.

DOJ attorney Brenna Jenny, who co-founded a similar working group during the first Trump administration, noted that this Working Group will assess novel legal theories early to determine whether they are viable and supported by leadership.

What This Means

This formalized work group represents a clear signal: federal agencies are stepping up targeted and more aggressive FCA enforcement, and sophisticated data tools will drive investigations forward more efficiently than ever. Health care providers, contractors, and any entity receiving federal funds should take proactive steps now to identify vulnerabilities and fortify compliance programs.

As oversight and enforcement priorities for fraud and abuse continue to evolve under the new administration, Benesch is here to assist your organization in assessing FCA risk and navigating proactive compliance strategies, including the regulations and enforcement policies that come with it. If you have questions regarding the Working Group, FCA, and government investigations related thereto, or enforcement actions more generally, the White Collar Practice Group at Benesch is here to help.

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