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*Universal Health Services, Inc. v. Escobar*, No. 15-7

The False Claims Act makes it unlawful for a contractor to present a “false or fraudulent claim” for reimbursement by the federal government. The Circuits are divided over whether the False Claims Act encompasses claims that a contractor “impliedly certified” its compliance with certain statutory or regulatory obligations by submitting claims for reimbursement, making the claim “legally false” when the contractor has not complied with those obligations even though it provided the service for which it seeks reimbursement. Universal Health Services operates a mental health clinic in Massachusetts that receives federal and state Medicaid funds. Respondents alleged deficiencies in the services provided by the clinic and brought a qui tam action alleging violations of the False Claims Act. The district court dismissed the complaint, finding that the respondents did not allege any plausible violation of the regulations they identified. The appellate court reversed, holding that the district court had overlooked a regulation listing the specific duties of the clinic director that could form the basis of a False Claims Act suit. The Supreme Court granted certiorari to determine whether the “implied certification” theory of liability under the False Claims Act is viable, and, if it is, whether it encompasses claims that a contractor violated a statute or regulation that was not expressly made a condition of payment.