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U.S. DISTRICT COURT
DISTRICT OF NEVADA

Fill in this information to identify the case:

Debtor 1 Iverson Genetic Diagnostics, Inc.

Debtor 2 _____
(Spouse, if filing)

United States Bankruptcy Court for the: District of Nevada

Case number 15-51332

Official Form 410

Proof of Claim

12/15

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor? U.S. Department of Health & Human Services
Name of the current creditor (the person or entity to be paid for this claim)

Other names the creditor used with the debtor _____

2. Has this claim been acquired from someone else? No
 Yes. From whom? _____

3. Where should notices and payments to the creditor be sent? **Where should notices to the creditor be sent?** **Where should payments to the creditor be sent? (if different)**

Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

Angela M. Belgrove Name
90 - 7th Street, Suite 4-500 Number Street
San Francisco CA 94103 City State ZIP Code
Contact phone 415-437-8156 Contact phone _____
Contact email angela.belgrove@hhs.gov Contact email _____

Uniform claim identifier for electronic payments in chapter 13 (if you use one):

4. Does this claim amend one already filed? No
 Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY

5. Do you know if anyone else has filed a proof of claim for this claim? No
 Yes. Who made the earlier filing? _____

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? No Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: 6 2 8 2

7. How much is the claim? \$ 19,706,343.07 Does this amount include interest or other charges? No Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information.
Medicare overpayments (see attached)

9. Is all or part of the claim secured? No Yes. The claim is secured by a lien on property.
Nature of property:
 Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
 Motor vehicle
 Other. Describe: Set off rights preserved pursuant to 11 USC § 506(a)

Basis for perfection: _____
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: \$ _____

Amount of the claim that is secured: \$ _____

Amount of the claim that is unsecured: \$ 19,706,343.07 (The sum of the secured and unsecured amounts should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: \$ _____

Annual Interest Rate (when case was filed) _____%

Fixed
 Variable

10. Is this claim based on a lease? No Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff? No Yes. Identify the property: Claim may be subject to set off pursuant to 11 USC 506(a)

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)? No

Yes. Check all that apply:

	Amount entitled to priority
<input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	\$ _____
<input type="checkbox"/> Up to \$2,775* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	\$ _____
<input type="checkbox"/> Wages, salaries, or commissions (up to \$12,475*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	\$ _____
<input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	\$ _____
<input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	\$ _____
<input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.	\$ _____

* Amounts are subject to adjustment on 4/01/16 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

I am the creditor.

I am the creditor's attorney or authorized agent.

I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.


I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 02/22/2016
MM / DD / YYYY



Signature

Print the name of the person who is completing and signing this claim:

Name Brian Flett
First name Middle name Last name

Title Assoc. Regional Manager DFMFFSO

Company Centers for Medicare and Medicaid Services/CMS Seattle Regional Office
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 701 - 5th Avenue, Suite 1600, M/S RX 300
Number Street

Seattle WA 98104
City State ZIP Code

Contact phone 206-615-2094 Email brian.flett@cms.hhs.gov

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA**

)	
In Re: Iverson Genetic Diagnostics, Inc.)	No. 15-51332
)	
)	
Debtor.)	Chapter 11
)	

DECLARATION OF BRIAN FLETT

I, Brian Flett, declare and state:

1. I am the Associate Regional Administrator for the Division of Financial Management & Fee-for-Service Operations, Region X, Centers for Medicare & Medicaid Services, United States Department of Health and Human Services, and is duly authorized to make this Proof of Claim on behalf of the United States.

2. Iverson Genetic Diagnostics, Inc. filed a petition for bankruptcy under Chapter 11 of the Bankruptcy Code on September 25, 2015.

3. The Department of Health & Human Services and the Centers for Medicare & Medicaid Services received notification of the bankruptcy filing on December 14, 2015.

4. That the above-mentioned debtor is justly and truly indebted to the United States of America in the total sum of \$19,706,343.07.

5. The Secretary of the U.S. Department of Health & Human Services ("the Secretary") has delegated authority to the Centers for Medicare & Medicaid Services ("CMS") to administer the programs of health insurance for the elderly and the disabled in Title XVIII of the Social Security Act, 42 U.S.C. §§1395-1395kkk-a (the "Medicare Act"), popularly known as the Medicare Program. Part B of the Medicare Act provides supplementary medical insurance for, among other things, provider and supplier services.

6. The Debtor's relationship with CMS arises under the Medicare Act as a "supplier" of laboratory testing services. 42 U.S.C. §§ 1395x(d), (s)(3) and (16). The Debtor is a party to Medicare Enrollment Agreements, 42 U.S.C. § 1395cc(j); 42 C.F.R. §§ 424.500-424.570, and is enrolled under supplier billing number(s): G8973736 and Q355390001.

7. To administer Part B, CMS acts through private entities called Medicare Administrative Contractors (“MACs”) who process the claims as submitted by providers and suppliers. Upon receipt of a claim, the MAC pays the Medicare beneficiary on the basis of an itemized bill, or directly pays the Medicare provider or supplier on the basis of an assignment of benefits from the beneficiary. The designated MACs for Iverson Genetic Diagnostics, Inc., are Noridian Healthcare Solutions, LLC (“Noridian”), and Palmetto GBA. See 42 U.S.C. §§ 1395kk-1; 42 C.F.R. §§ 421.400 – 421.404.

8. For reasons of administrative efficiency, the MACs authorize payment on claims immediately upon receipt of claims. The MACs later may reopen the claims and conduct audits to ensure that payments were made in accordance with Medicare coverage and reimbursement criteria. If the MACs discover that payments were made for services not covered by the Medicare Act, they may assess an overpayment determination.

9. Here, Noridian and Palmetto had performed reviews of the Debtor’s claims with dates of service ranging from January 1, 2012 through December 31, 2015. See **Exhibit A**, attached. During the program review, Noridian and Palmetto identified problems with the billing on the Debtor’s claims, such as the claims had been processed incorrectly and/or had been billed separately for services performed within a Skilled Nursing Facility subject to consolidated billing, and should not have been billed separately.

10. On various dates between August 22, 2014 and December 10, 2015, Noridian and Palmetto issued findings letters to the Debtor on these claims, informing the Debtor that overpayments had been found and requesting a prompt repayment of the overpaid amounts. These letters informed the Debtor of the applicable rights of administrative appeal, as provided in the Medicare Act and regulations. Noridian and Palmetto’s letters were sent to the Debtor in the ordinary course of business, and prior to notification of the Chapter 11 filing. These overpayment findings and requests for refunds collectively total \$19,440,763.46, exclusive of interest. The Debtor has not refunded any of these amounts.

11. The Debtor is currently indebted to the United States and CMS for a total of \$19,440,763.46, exclusive of interest, in overpayment of Medicare reimbursements. To date, the pre-petition interest is \$265,579.61, for a total balance of \$19,706,343.07.

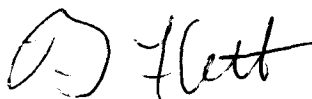
12. The filing of this claim is not to be construed as a waiver of the right of the United States, or of any agency or instrumentality thereof, to follow any property, or the proceeds thereof, into the hands of whomever the same may be, including the receiver or trustee in bankruptcy; or as a waiver of any claim or right of action or set-off or recoupment or of any other right whatsoever that the United States, or any agency or instrumentality thereof, has or may have against the Debtor, the receiver, the trustee, or any other person.

13. The Secretary reserves her right to amend this proof of claim, as necessary and appropriate, and to assert subsequently discovered liabilities. The Secretary reserves her right to assert that any amended claim is also secured by rights of recoupment and/or set-off, pursuant to 42 C.F.R. § 405.371, and any other right or authority held by CMS.

14. The filing of this claim shall not be construed as a waiver of the United States' claim concerning jurisdiction over the adjudication of the claims' merits or any reimbursement dispute that may arise between the Debtor and the Secretary, per 42 U.S.C. § 405(h).

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and information.

Executed on February 22, 2016

A handwritten signature in black ink, appearing to read "B. Flett". The signature is written in a cursive, somewhat stylized font.

Brian Flett
Associate Regional Administrator
Division of Financial Management & Fee
for Services Operations
Seattle Regional Office
Centers for Medicare & Medicaid Services