SEC tells LHC Group to preserve Medicare documents

The Associated Press

Home care and hospice provider LHC Group Inc. said Tuesday the Securities and Exchange Commission ordered it to preserve all documents relating to its Medicare-reimbursement practices.

The SEC indicated it plans to request the documents later, the company said. LHC said it intends to cooperate with the SEC.

The company made the disclosure after the market closed. The shares fell $1.23, or 5.1 percent, to $23.02 in regular trading, then dropped another $1.02, or 4.4 percent, to $22 in extended trading.

Shares of LHC fell sharply two weeks ago when the SEC launched an investigation into practices at two other home-care providers. At the time, LHC said it wasn't under SEC investigation. Congressional investigators have been looking at whether providers made many visits to patients to trigger additional government payments.

On Tuesday, LHC presented statistics designed to show it has not abused Medicare, the federal health program for seniors.

The company said its reimbursement per episode was 13 percent below the national average and its reimbursement per therapy episode was 8 percent below average from 2006 through 2009. It also said its therapy patients reported better outcomes compared with national averages.

President and CEO Keith Myers said the company would show the SEC that it promotes care based on the needs of patients "and our commitment to compliance and program integrity."

LHC also reiterated its outlook for 2010 income of $2.75 to $2.85 per share and revenue of $615 million to $625 million. On average, analysts polled by Thomson Reuters expect income of $2.80 per share and revenue of $622 million.

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