

Allegheny County Employees' Retirement System v. AdaptHealth Corp.

COURT: United States District Court for the Eastern District of Pennsylvania
CASE NUMBER: 23-cv-4104
CLASS PERIOD: 08/04/2020 - 02/27/2023
CASE LEADERS: Hannah Ross, Avi Josefson, Scott R. Foglietta

On October 24, 2023, Bernstein Litowitz Berger & Grossmann LLP (“BLB&G”) filed a class action lawsuit in the U.S. District Court for the Eastern District of Pennsylvania alleging violations of the federal securities laws by AdaptHealth Corp. (“AdaptHealth” or the “Company”), certain of the Company’s current and former senior executives and directors, and certain underwriters of the Company’s secondary public offering conducted on or around January 5, 2021 (the “SPO”). The action is brought on behalf of all persons or entities who purchased or otherwise acquired: (i) AdaptHealth common stock between August 4, 2020 and February 27, 2023, inclusive (the “Class Period”); and/or (ii) AdaptHealth common stock pursuant and/or traceable to the SPO.

BLB&G filed this action on behalf of its client, Allegheny County Employees’ Retirement System, and the case is captioned *Allegheny County Employees’ Retirement System v. AdaptHealth Corp.*, No. 23-cv-4104 (E.D. Pa.). The complaint is based on an extensive investigation and a careful evaluation of the merits of this case. To view the complaint, see the Case Documents section of this page.

AdaptHealth’s Alleged Fraud

AdaptHealth is a supplier of home medical equipment for chronic health conditions including diabetes, sleep apnea, and wound care. AdaptHealth sells medical devices directly to patients, and then bills patients’ insurance providers, including the Centers for Medicare and Medicaid Services (“CMS”).

The complaint alleges that, throughout the Class Period, AdaptHealth and certain of its senior executives orchestrated a scheme to overcharge CMS and other insurance providers by submitting improper billing codes for diabetes equipment. To facilitate this scheme, AdaptHealth and certain of its senior executives made numerous false and misleading statements to investors during the Class Period. As a result of these misrepresentations, AdaptHealth common stock traded at artificially inflated prices during the Class Period.

The truth about AdaptHealth’s misconduct was revealed on February 27, 2023, when the Company announced a surprise loss of \$0.02 per share for the fourth quarter of 2022, which was significantly lower than the gain of \$0.27 per share that analysts and investors were led to expect. The Company also reduced its guidance for 2023, lowering revenue expectations it had provided just seven weeks earlier by over 1.5%. AdaptHealth attributed the miss and lowered guidance to “tempered expectations on diabetes.” As a result of these disclosures, the price of AdaptHealth common stock declined precipitously.

If you wish to serve as Lead Plaintiff for the Class, you must file a motion with the Court no later than December 26, 2023, which is the first business day on which the U.S. District Court for the Eastern District of Pennsylvania is open that is 60 days after the publication date of October 24, 2023. Any member of the proposed Class may seek to serve as Lead Plaintiff through counsel of their choice, or may choose to do nothing and remain a member of the proposed Class.

If you wish to discuss this action or have any questions concerning this notice or your rights or interests, please contact Scott R. Foglietta of BLB&G at 212-554-1903, or via e-mail at scott.foglietta@blbglaw.com.

Case Documents

- October 24, 2023 - Initial Complaint
- October 24, 2023 - PSLRA Notice