136 S.Ct. 1989 (2016)

UNIVERSAL HEALTH SERVICES, INC., Petitioner
v.
UNITED STATES and Massachusetts, ex rel. Julio Escobar and Carmen Correa.

No. 15-7.

Supreme Court of United States.

Argued April 19, 2016.
Decided June 16, 2016.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT.

Roy T. Englert, Jr., Washington, DC, for Petitioner.

David C. Frederick, Washington, DC, for Respondents.

Malcolm L. Stewart for the United States as amicus curiae, by special leave of the Court, supporting the respondents.

Mark W. Pearlstein, Laura McLane, Evan D. Panich, McDermott Will & Emery LLP, Boston, MA, M. Miller Baker, McDermott Will & Emery LLP, Roy T. Englert, Jr., Gary A. Orseck, Mark T. Stancil, Michael L. Waldman, Donald Burke, Robbins, Russell, Englert, Orseck, Untereiner & Sauber LLP, Washington, DC, for Petitioner.

Thomas M. Greene, Michael Tabb, Elizabeth Cho, Greene LLP, Boston, MA, David C. Frederick, Derek T. Ho, Katherine C. Cooper, Kellogg, Huber, Hansen, Todd, Evans & Figel, P.L.L.C., Washington, DC, for Respondents.

Syllabus[*]

Yarushka Rivera, a teenage beneficiary of Massachusetts' Medicaid program, received counseling services for several years at Arbour Counseling Services, a satellite mental health facility owned and operated by a subsidiary of petitioner Universal Health Services, Inc. She had an adverse reaction to a medication that a purported doctor at Arbour prescribed

"clearly impose conditions of payment." *Id.,* at 513. The court further held that the regulations themselves "constitute[d] dispositive evidence of materiality," because they identified adequate supervision as an "express and absolute" condition of payment and "repeated[ly] reference[d]" supervision. *Id.,* at 514 (internal quotation marks omitted).

We granted certiorari to resolve the disagreement among the Courts of Appeals over the validity and scope of the implied false certification theory of liability. 577 U.S. ___, 136 S.Ct. 582, 193 L.Ed.2d 465 (2015). The Seventh Circuit has rejected this theory, reasoning that only express (or affirmative) falsehoods can render a claim "false or fraudulent" under 31 U.S.C. § 3729(a)(1)(A). *United States v. Sanford-Brown, Ltd.,* 788 F.3d 696, 711-712 (2015). Other courts have accepted the theory, but limit its application to cases where defendants fail to disclose violations of expressly designated conditions of payment. *E.g., Mikes v. Straus,* 274 F.3d 687, 700 (C.A.2 2001). Yet others hold that conditions of payment need not be expressly designated as such to be a basis for False Claims Act liability. *E.g., United States v. Science Applications Int'l Corp.,* 626 F.3d 1257, 1269 (C.A.D.C.2010) (*SAIC*).

II

We first hold that the implied false certification theory can, at least in some circumstances, provide a basis for liability. By punishing defendants who submit "false or fraudulent claims," the False Claims Act encompasses claims that make fraudulent misrepresentations, which include certain misleading omissions. When, as here, a defendant makes representations in submitting a claim but omits its violations of statutory, regulatory, or contractual requirements, those omissions can be a basis for liability if they render the defendant's representations misleading with respect to the goods or services provided.

To reach this conclusion, "[w]e start, as always, with the language of the statute." *Allison Engine Co. v. United States ex rel. Sanders,* 553 U.S. 662, 668, 128 S.Ct. 2123, 170 L.Ed.2d 1030 (2008) (brackets in original; internal quotation marks omitted). The False Claims Act imposes civil liability on "any person who... knowingly presents, or causes to be