



OIG NEWS

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Tenet Agrees to Divest Alvarado Hospital

Inspector General Daniel R. Levinson announced today that the Office of Inspector General (OIG) of the Department of Health and Human Services (HHS) and Tenet Healthcare Corporation reached an agreement concerning Tenet's divestiture of Alvarado Hospital Medical Center (Alvarado). This agreement resolves OIG's possible exclusion of Alvarado from participation in Medicare and all other Federal health care programs.

On May 8, 2006, OIG notified Tenet that OIG intended to propose to exclude Alvarado based on Alvarado's alleged payment of kickbacks to physicians. Alvarado had 30 days from that prior notice to submit to OIG documentary evidence and written argument concerning the proposed exclusion. The OIG would have considered any materials submitted by Tenet when determining whether to propose an exclusion. If OIG had proposed an exclusion, Tenet would have had the right to an administrative appeal prior to the exclusion going into effect. The agreement reached today allows Tenet to sell Alvarado prior to OIG initiating an exclusion of the hospital.

Today's agreement allows for the orderly transfer of the hospital to a new operator in a manner that would not affect access to hospital services in the community. If Tenet chooses to close Alvarado, OIG will work closely with the Centers for Medicare and Medicaid Services and state and local authorities to ensure community access to emergency and other hospital services.

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