



Department of Justice

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PIEDMONT HOSPITAL AGREES TO PAY OVER \$3 MILLION TO SETTLE ALLEGATIONS OF HEALTH CARE FRAUD

Atlanta, GA - The United States Attorney's Office for the Northern District of Georgia announced today that Piedmont Hospital in Atlanta has agreed to pay over \$3 million to resolve allegations raised in a "whistleblower" lawsuit that the hospital violated the False Claims Act by submitting claims to federal health care programs for services that were not eligible for reimbursement, and by failing to properly execute contractual agreements with the physicians performing professional services, as is required by federal law.

"This Settlement again demonstrates the United States' commitment to protecting federal funds from fraud and abuse," said Acting United States Attorney Sally Yates in a statement from the United States Attorney's Office. "Ensuring the integrity of the Medicare program continues to be a priority of the federal government."

The "whistleblower," or "qui tam" suit was filed in July 2003 by Patricia J. Quinnelly, who was a vascular technologist in Piedmont's F. Levering Neely Vascular Laboratory from 2001 through 2004. Ms. Quinnelly filed her complaint under the False Claims Act, 29 U.S.C. § 3729 *et seq.*, which allows the United States to recover triple damages and civil penalties for false claims that are knowingly submitted to government programs.

In her complaint, Quinnelly alleged that Piedmont Hospital submitted claims for a physician's interpretation of some vascular laboratory tests when the physician interpretation, in fact, had not been done. Specifically, Quinnelly alleged that one of the laboratory's physicians routinely failed to conduct an independent review of the vascular test data, and instead simply signed off on the technicians' interpretations and proposed diagnoses. The investigation of Ms. Quinnelly's allegations also revealed that Piedmont Hospital had failed to execute contractual agreements with the physicians performing services at the vascular laboratory, as required by certain Social Security Act provisions, known as the Stark law, 42 U.S.C. §1395nn, which are designed to regulate physician's referrals to entities in which they have a financial interest. With Piedmont Hospital's cooperation, the parties were able to reach a resolution of these issues.

The United States has agreed to dismiss the lawsuit in exchange for \$3,039,388.00 and Piedmont's acceptance of a Certification of Compliance Agreement entered into with the Department of Health and Human Services, Office of Inspector General. The Compliance Agreement requires Piedmont to adhere to certain policies and procedures to ensure compliance with applicable statutes and regulations that govern the use of federal health care funds. Under "qui tam" provisions of the False Claims Act, Quinnelly will receive \$354,390.00 as a share of the recovery under the settlement.

This case was investigated by the United States Department of Health and Human Services (HHS), Office of Inspector General, and the Office of Personnel Management (OPM), Office of Inspector General.

For further information, please contact Sally Quillian Yates, Acting United States Attorney or Amy L. Berne, Chief, Civil Division through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.