



Department of Justice

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SAINT JOSEPH'S HOSPITAL OF ATLANTA PAYS \$26 MILLION TO SETTLE FALSE CLAIMS ACT ALLEGATIONS

Settlement Resolves Investigation of Hospital's Claims For Inpatient Admissions

Atlanta, GA - The United States Attorney's Office today announced that Saint Joseph's Hospital of Atlanta, Inc. and Saint Joseph's Health System, Inc. have agreed to pay \$26 million to settle allegations raised in a so-called "whistleblower" lawsuit that the hospital violated the federal False Claims Act with regard to billing for inpatient admissions and other services.

United States Attorney David E. Nahmias said, "This significant settlement demonstrates our commitment to protect public funds from fraud and abuse. Every hospital that submits claims to the Medicare program must ensure that its services are billed appropriately. We will continue to vigorously pursue Medicare providers who disregard billing rules."

In Washington D.C., Jeffrey S. Bucholtz, the Acting Assistant Attorney General for the Civil Division, said, "Health care providers in the Medicare program have an obligation to turn square corners when dealing with the government. This means that hospitals must go the extra mile to ensure that any claims for payment they submit to Medicare reflect the correct level of service."

Also in Washington, United States Department of Health and Human Services Inspector General Daniel R. Levinson said, "Any time a false claim is submitted for payment, the Medicare program suffers. OIG will work closely with our law enforcement partners to identify and hold accountable providers who obtain crucial Medicare dollars through inappropriate billing."

The settlement resolves an investigation primarily focusing on Saint Joseph's Hospital's submission of Medicare claims from the years 2000 through 2005, where services that should have been billed as "outpatient visits" were billed as "inpatient admissions." The qui tam, or whistleblower lawsuit, filed by a former employee of Saint

Joseph's Hospital, Tami Ramsey, a registered nurse, alleged, in part, that the hospital routinely submitted claims to Medicare for inpatient services when only outpatient-level services were provided. Under the Medicare payment methodology, the Hospital received much higher payments to which it was not entitled because the services were billed as inpatient stays instead of outpatient visits.

The settlement covers claims submitted by Saint Joseph's Hospital for short inpatient admissions, usually of one day or less but sometimes longer, where the services were such that they should have been billed on an outpatient "observation" basis or as an emergency room visit. It also covers claims where the hospital admitted patients for three days, without meeting the criteria for a covered admission, so the patients would qualify under Medicare payment rules for subsequent coverage for skilled nursing facility services. In addition, the settlement includes certain claims submitted by the hospital for inpatient admissions relating to placement of carotid artery stents, which were not covered under Medicare benefits.

The United States has agreed to dismiss the lawsuit in exchange for the \$26 million payment. As a condition of continued participation in federal health care programs, the Office of Inspector General of the Department of Health and Human Services has required Saint Joseph's Hospital and Health System to enter into a Corporate Integrity Agreement. The Corporate Integrity Agreement subjects Saint Joseph's to strict policies and procedures to ensure future compliance with applicable statutes and regulations that govern the use of federal health care funds. Under the qui tam provision of the False Claims Act, the whistleblower, Tami Ramsey, will receive \$4.94 million as her share of the recovery in the case.

The investigation was jointly handled by the United States Attorney's Office for the Northern District of Georgia, the Commercial Litigation Branch of the Department of Justice, and the Department of Health and Human Services, Office of Inspector General.

Assistant U.S. Attorney Mina Rhee handled the case for the U.S. Attorney's Office. Senior Trial Attorney Marie Bonkowski, of the Department's Civil Division, Commercial Litigation Branch, also assisted in this case.

For further information, please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, 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.