



OIG NEWS

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OIG Excludes Miami Hospital from Participation in Federal Health Care Programs

Inspector General Daniel R. Levinson announced today that the Office of Inspector General (OIG) of the Department of Health and Human Services (HHS) is excluding Miami's South Beach Community Hospital (South Beach), formerly known as South Shore Hospital and Medical Center, from participation in Medicare, Medicaid, and all other Federal health care programs. Today's action resulted from South Beach's material breach of the terms of a corporate integrity agreement (CIA) it negotiated with OIG in 2002, as part of the resolution of a False Claims Act case against the hospital.

"South Beach has committed repeated and flagrant violations of its obligations under the CIA," said Inspector General Levinson. "This exclusion sends a clear message to the provider community that the OIG will not hesitate to pursue an action against those providers that fail to abide by their integrity agreement obligations."

On December 2, 2005, the OIG notified the hospital that the OIG intended to exclude South Beach based on the hospital's material breach of its obligations under the CIA. For example, South Beach failed to meet multiple reporting requirements, failed to retain an Independent Review Organization to perform required audits, and failed to provide notification of the sale of the hospital. South Beach had 30 days to demonstrate that it was in compliance with the obligations of the agreement, that it had cured the breach, or that it was timely pursuing cure of the breach with due diligence.

In December 2005, South Beach represented to the OIG that it would cure the material breach of the CIA by February 28, 2006. The OIG reviewed written submissions and performed a site visit at the facility to evaluate the extent to which South Beach may have cured the material breach. Based on this review, the OIG determined that the hospital had failed to take timely corrective actions necessary to cure the breach, and, in fact had failed to meet its own timetable to take such actions.

Based on South Beach's failure to cure the breach, the OIG is exercising its contractual right to exclude South Beach from participation in all Federal health care programs for a period of five years. The hospital has the right to request a hearing before an HHS Administrative Law Judge, with a right to further appeal to the HHS Departmental Appeals Board.

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