

Suits against hospital gain feds' attention

Ga. whistle-blower says patients were admitted just to inflate their bills.

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The chief financial officer suspected something was wrong at Walton County's hospital and now believed he had proof.

The CFO had hired a consultant to study admissions practices at Walton Regional Medical Center. Was it hospitalizing patients who should have been sent home? When the inquiry confirmed an unusually high rate of admissions, CFO Ralph D. "Bill" Williams took the report to his boss.

"He said, 'Burn it,'" Williams said. Williams was soon fired — he believes his questions about admissions led to his dismissal — but the Army veteran from Braselton remembered what he saw at

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the hospital. More than four years later, he has emerged as a high-profile whistle-blower in a national case alleging widespread misconduct at one of the nation's largest for-profit hospital chains.

Executives running Walton Regional Medical Center and other hospitals in the Health Management Associates chain would "bully, badge and intimidate" doctors to hospitalize patients who should have been sent home, said Williams, who had to keep his allegations confidential until recently.

"Doctors knew that it was wrong. They knew they were in a system that was driven by greed and by profits," he said. "They understood, though, that if they didn't measure up and if they didn't meet the benchmarks, they were going to be gone."

Williams' accusations of misconduct gained credibility when the U.S. Justice Department announced recently that it would intervene in eight federal whistle-blower lawsuits against Health Management Associates, including a case filed by Williams in 2009.

The allegations by Williams and other insiders are years old but are only just now coming to light. The cases were filed under seal, and the whistle-blowers have worked confidentially with the government. Federal authorities determined that the allegations had enough merit to warrant the Justice Department's involvement in the case, which could damage the finances of a major hospital chain and potentially enrich the insiders who blew the whistle.

'We intend to cooperate with the government'

The government's announcement that it was intervening in the cases came on the eve of a major corporate change for Florida-based HMA. In late January, the Tennessee-based hospital chain Community Health Systems acquired HMA, creating a system of 206 hospitals nationwide. The deal makes Community Health one of the nation's largest hospital chains.

The 71 HMA hospitals that are now part of the Community Health chain include three in Georgia: Barrow Regional in Winndor, East Georgia Regional in Statesboro, and Walton Regional in Monroe, which reopened in a new building as Clearview Regional in 2012. Community Health already operated two other Georgia

hospitals: Trinity Hospital in Augusta and Fannin Regional in Blue Ridge.

Community Health was aware of a government investigation of HMA last summer when it announced plans to acquire the chain, said Tomi Galin, a vice president at Community Health. The whistle-blower cases were still sealed at that time, she said, but the allegations had been revealed before the deal closed.

"We intend to cooperate with the government in its investigation of these matters," Galin said.

'Top-down, profit-driven system'

The whistle-blower lawsuits investigated by the Justice Department say HMA's executives pressured doctors to admit patients who could have been placed in observation or treat-

ed as outpatients. That resulted in HMA submitting inflated or even false bills to Medicare and Medicaid, the government health plans, the Justice Department said. The suits also allege that some hospitals paid kickbacks to physician groups staffing HMA emergency rooms to induce the doctors to admit patients.

While sending a patient to the hospital costs insurance companies and government health plans more, Williams said, it was also costly for patients. They had to pay their portion of the bills while also being exposed to the risk of a hospital-acquired infection or medical error.

It was hurting patients," Williams said. Williams, who was born in Macon, spent a career working his way up to top financial jobs in the health care industry. Soon after taking the CFO's job at Walton, Williams said, he noticed the hospital had a high rate of one-day hospital admissions. He said he also learned about daily "huddles" the ER doctors had to attend to push them to meet corporate goals for admissions.

In my 30-plus years of being a hospital executive, that was the most egregious top-down, profit-driven system that I had ever heard of or seen," he said.

"Admitting as many patients as possible" Dr. Craig Brummer, who worked as a medical director at Barrow Regional and Walton Regional, also filed a whistle-blower suit accusing the hospital of routinely pressuring doctors to admit patients. Brummer included profiles of pa-

tients who were improperly admitted. Among the cases: ■ A 71-year-old Medicare patient who came in to the ER complaining of neck pain but was admitted to the hospital for "a chest pain rule out."

■ An infant covered by Medicaid who came in with a fever and was given a full workup of chest X-rays and lab work that came back normal. He was still admitted to the hospital even though his fever had dropped to 98.7.

■ An 18-year-old Medicaid patient with a knee laceration who was admitted to the hospital when the wound could have been repaired in the ER and the patient could have then been sent home.

"HMA constantly re-emphasized the HMA corporate goal of admitting as many patients as possible regardless of whether the patients needed to be treated on an inpatient basis," Brummer said in his complaint.

Clearview Regional (formerly Walton) and Barrow Regional, both on the outskirts of metro Atlanta, earn less flattering reviews from patients than most other hospitals in the state, according to a review by The Atlanta Journal-Constitution of patient satisfaction data collected by the federal government. Statewide, 70 percent of recent patients say they would "definitely" recommend the hospital that cared for them, but only 50 percent of Barrow Regional's recent patients said they would definitely recommend the facility. At Clearview, the percentage was 60 percent.

Galin, of Community Health, said the hospital chain uses numerous programs at its hospitals to improve the experience

Illegal kickbacks to clinic alleged

Ralph D. "Bill" Williams didn't stop with one hospital chain when he started blowing the whistle.

Another whistle-blower case filed by Williams accuses Tenet Healthcare Corp. of a scheme to defraud Medicaid. Williams claims that Tenet hospitals, including Atlanta Medical Center and North Fulton Hospital, were paying illegal kickbacks to a clinic to steer patients to its hospitals. The U.S. attorney for the Middle District of Georgia boosted the allegations this week when it sought approval to intervene in the case. The Georgia attorney general's office intervened in the case last year after conducting its own investigation.

The hospitals had agreements with Clinica de la Mama for translation and other services for pregnant women, according to the complaint. But Williams says the payments were actually made in exchange for referring patients to a specific hospital for deliveries that were covered by Medicaid, a health insurance plan for low-income people.

Tenet denies that it was paying for patients and argued in a statement that the agreements provided substantial benefits to women in underserved Hispanic communities.

The services actually saved money for Medicaid, Tenet said, by making sure women received prenatal care and proper treatment during deliveries.

of its patients. "We look forward to making those resources available to the employees and medical staffs of our newly affiliated hospitals," she said in a statement.

Feds to take over whistle-blower cases

The federal intervention in the whistle-blower cases is, in a way, just the beginning. Federal prosecutors will now take the lead in handling the cases they have investigated, with the whistle-blowers and their attorneys playing a supporting role.

The law offers the whistle-blowers a potentially lucrative reward in successful cases — a percentage of the money recovered. When the government intervenes, a whistle-blower can get between 15 and 25 percent.

Marlan Wilbanks, the Atlanta attorney representing both Williams and Brummer, said he believes damages will reach hundreds of millions of dollars. The two Georgia cases were the first to be filed of the eight cases that DOJ is now pursuing.

Wilbanks called the company's behavior a "top-down fraud scheme where national-level executives were involved from HMA. This is not a situation where there is a rogue hospital here or there. Their plan is — we need as many people in the hospital as we can get in there because we'll make more money."

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Log on to www.MyAJC.com to read the full lawsuit filed by Ralph Williams against the Health Management Associates hospital chain.



Bill Williams, with Susan S. Gouinck of Wilbanks & Bridges, said hospital officials would "bully, badge and intimidate" doctors to hospitalize patients who should have been sent home. CARIE TEEGARDIN/AJC