

Home » Briefing Room » Justice News

JUSTICE NEWS**Department of Justice**

Office of Public Affairs

FOR IMMEDIATE RELEASE

Wednesday, February 19, 2014

Government Intervenes in Lawsuit Against Tenet Healthcare Corp. and Georgia Hospital Owned by Health Management Associates Inc. Alleging Payment of Kickbacks

The government has intervened in a False Claims Act lawsuit against Tenet Healthcare Corp. (Tenet) and four of its hospitals in Georgia and South Carolina, as well as a hospital in Monroe, Ga., owned by Health Management Associates Inc. (HMA), alleging that the hospitals paid kickbacks to obstetric clinics serving primarily undocumented Hispanic women in return for referral of those patients for labor and delivery at the hospitals. The hospitals then billed the Medicaid programs in Georgia and South Carolina for the services provided to the referred patients and, in some instances, also obtained additional Medicare reimbursement based on the influx of low-income patients. Tenet and HMA are two of the largest owner/operators of hospitals in the United States. HMA was acquired by Community Health Systems last month. The government also is intervening against the clinics and related entities known as Hispanic Medical Management d/b/a Clinica de la Mama.

“The Department of Justice is committed to ensuring that health care providers who pay kickbacks in return for patient referrals are held accountable,” said Assistant Attorney General for the Justice Department’s Civil Division Stuart F. Delery. “Schemes such as this one corrupt the health care system and take advantage of vulnerable patients.”

“My office has made the investigation of health care fraud a priority,” said U.S. Attorney for the Middle District of Georgia Michael J. Moore. “In a time when too many people were struggling to get health care for themselves and their children, Tenet and these hospitals plundered a system set up for those truly in need. This kind of scheme drives up costs for everyone, not just the vulnerable patients and groups like those targeted in this case.”

The lawsuit alleges that four Tenet hospitals, Atlanta Medical Center, North Fulton Regional Hospital, Spalding Regional Hospital and Hilton Head Hospital in South Carolina, and one HMA facility, Walton Regional Medical Center (since renamed Clearview Regional Medical Center), paid kickbacks to Hispanic Medical Management d/b/a Clinica de la Mama (Clinica) and related entities in return for Clinica’s agreement to send pregnant women to their facilities for deliveries paid for by Medicaid, in violation of the federal Medicare and Medicaid Anti-Kickback Statute. The kickbacks were disguised as payments for a variety of services allegedly provided by Clinica.

The Anti-Kickback Statute prohibits offering, paying, soliciting or receiving remuneration to induce referrals of items or services covered by Medicare, Medicaid and other federally funded programs. The Anti-Kickback Statute is intended to ensure that a physician’s medical judgment is not compromised by improper financial incentives and is instead based on the best interests of the patient.

“Investigations such as these are a high priority for the FBI, and we are determined to hold accountable providers that enrich themselves at the expense of government programs and damage the public trust,” said FBI Assistant Director Ronald T. Hosko. “The FBI is dedicated to preventing and combating all forms of

health care fraud; working with federal, state and local partners to effectively resolve allegations and engaging with the public to identify potential schemes.”

The lawsuit was filed under the *qui tam*, or whistleblower, provisions of the False Claims Act, which permit private parties to sue on behalf of the government when they believe that defendants submitted false claims for government funds and to receive a share of any recovery. The False Claims Act also permits the government to intervene in such lawsuits, as it has done in this case. The lawsuit is pending in the Middle District of Georgia .

The government’s intervention in this matter illustrates its emphasis on combating health care fraud and marks another achievement for the Health Care Fraud Prevention and Enforcement Action Team (HEAT) initiative, which was announced in May 2009 by Attorney General Eric Holder and Secretary of Health and Human Services Kathleen Sebelius. The partnership between the two departments has focused efforts to reduce and prevent Medicare and Medicaid financial fraud through enhanced cooperation. One of the most powerful tools in this effort is the False Claims Act. Since January 2009, the Justice Department has recovered a total of more than \$19 billion through False Claims Act cases, with more than \$13.4 billion of that amount recovered in cases involving fraud against federal health care programs.

These matters were investigated by the Commercial Litigation Branch of the Justice Department’s Civil Division, the Fraud Section of the department’s Criminal Division, the U.S. Attorney’s Offices for the Middle and Northern Districts of Georgia, the Department of Health and Human Services Office of Inspector General, the Federal Bureau of Investigation and the Office of the Attorney General for the State of Georgia.

The case is captioned *United States ex rel. Williams v. Health Mgmt. Assocs. Inc., Tenet Healthcare, et al.*, No. 3:09-CV-130 (M.D. Ga.).

The claims asserted against Tenet, the HMA facility and Clinica are allegations only, and there has been no determination of liability.

14-176

Civil Division