

FOR IMMEDIATE RELEASE

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**Major U.S. Hospital Chain Will Pay Over \$260 Million to
Resolve Civil and Criminal Allegations**

Atlanta, GA – Health Management Associates, LLC (HMA), owned by Community Health Systems, Inc. (NYSE: CYH) has agreed to pay \$260 million to resolve 6 lawsuits filed by whistleblowers under the False Claims Act as well as a criminal guilty plea. The criminal plea was based in part on HMA’s “formal and aggressive plan” to admit patients from its emergency departments into its hospitals based not on medical need for that level of care but on the higher reimbursements from Medicare for inpatient as opposed to outpatient treatment. See United States Department of Justice (“DOJ”) Press release 18-1252, published on September 25, 2018. The first of the 6 whistle blower cases against HMA involved in this settlement was filed in November 2009. The 6 cases were eventually consolidated into a multi-district litigation in federal court in Washington, DC.

Two of the complaints that have been settled were filed in the Middle District of Georgia by Mr. Ralph Williams, Chief Financial Officer for two HMA-owned hospitals in Georgia, and Craig Brummer, MD, an emergency department physician who worked as the medical director of the emergency departments of those same hospitals. Dr. Brummer’s allegations included firsthand accounts of daily meetings where Emergency Department physicians were pressured to increase the volume of inpatient admissions in order to maximize profits. Mr. Williams alleged that HMA set specific corporate-wide goals for patient admissions at HMA hospitals, seeking to maximize inpatient admissions regardless of medical necessity. As hospital CFO, Mr. Williams commissioned a study by a third-party expert that showed that Walton Regional Hospital’s admissions were too numerous, and its observations status utilization was too low. When he showed the study to HMA's Divisional CFO the response was, "burn it" and no corrective action was taken. HMA terminated Mr. Williams soon after he presented the study to the HMA corporate officer.

HMA is paying approximately \$62.5 million to resolve the allegations brought forward by Dr. Brummer and Mr. Williams. Both of these whistleblowers are represented by Marlan Wilbanks and Susan Gouinlock who are partners in the law firm of Wilbanks & Gouinlock, LLP located in Atlanta, Georgia. Brandon Hornsby of the Hornsby Law Group was also involved in the dual representation of Dr. Brummer and Mr. Williams. The DOJ lawyers responsible for spearheading the civil recovery are Department of Attorneys Marie Bonkowski and Laurie Oberembt.

“It is very gratifying to our clients that HMA has finally admitted the truth of their allegations of a top-down plan to admit patients regardless of the medical necessity of the

hospital admission,” said Marlan Wilbanks. He added that “Our clients brought complementary and powerful accounts of the fraud to the Government: One from the clinical, medical perspective and the other from the corporate financial incentive perspective.” Susan Gouinlock added, “It has been a long, difficult nine years of work for our clients. They worked tirelessly with the DOJ to put a stop to the fraud and protect patient safety. We are delighted with the outcome of their cases.”

False Claims Act cases are complex and often take many years to prosecute, but whistleblowers and their attorneys do not receive any money unless and until a case is successful and the taxpayers recover whether by settlement or trial. The risks are substantial and good results are very difficult to obtain. When a case is successful, the whistleblower is entitled by law to recover a percentage of the money recovered from the defendants who defrauded the government.

The Brummer FCA lawsuit is captioned *United States of America ex. rel. Brummer, MD et. al. v. Health Management Associates, Inc., et. al.* No.: 3:09-cv135 (CDL) (Middle District of Georgia). The Williams lawsuit is captioned *United States of America ex rel. Williams v. Health Management Associates, Inc., et. al.* No.: 3:12-cv-151 (CDL) (Middle District of Georgia).