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**HARLEM HOSPITAL AGREES TO PAY \$2.3 MILLION
TO SETTLE CHARGES THAT IT DEFRAUDED MEDICARE**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced today that Harlem Hospital Center ("HARLEM HOSPITAL") agreed to pay \$2.3 million to resolve civil charges that it defrauded the government by double-billing the Medicare program. A complaint containing these charges was filed in United States District Court in Manhattan against the hospital today, along with a settlement agreement resolving the government's case.

The complaint alleges that during the period January 1992 through June 30, 2001, HARLEM HOSPITAL billed Medicare twice for the same outpatient services rendered to patients at its facilities, and that the government paid twice for the services. According to the complaint, HARLEM HOSPITAL submitted these duplicate claims for payment even though it knew, or acted with deliberate ignorance or reckless disregard of the fact, that it had already been paid for the very same services, and thus its claims for payment were false.

The complaint further alleges that, on July 28, 1997, Empire Medicare Services ("Empire"), the government's fiscal intermediary responsible for processing claims for Medicare payment for outpatient services, notified HARLEM HOSPITAL that Empire's review of the hospital's claims showed that it was consistently double-billing Medicare, and Empire directed the hospital to stop. However, the hospital failed to do so for several years.

The complaint details HARLEM HOSPITAL'S alleged continued failure to stop double-billing despite the notification from Empire, including:

- in a letter to Empire dated January 21, 1998, nearly a year after the hospital received Empire's notification, the hospital's Manager of Special Projects in the Department of Patient Accounts conceded that the hospital continued to double-bill, allegedly as a result of peculiarities in the hospital's computer system;
- in an internal memorandum dated April 8, 1998, the hospital's Chief Financial Officer at the time informed the hospital's then-Director of Revenue Management that the hospital continued to double-bill, which the CFO acknowledged had been an "open issue . . . for too long" and was "looked at by [M]edicare as fraudulent activity;" and
- the hospital's Performance Improvement Committee regularly discussed problems related to the double-billing at its meetings through 2000, but did nothing to resolve them. The hospital continued to double-bill for outpatient services well into 2001.

HARLEM HOSPITAL agreed to pay the government \$2.3 million to settle the charges outlined in the complaint. In agreeing to the settlement, HARLEM HOSPITAL did not admit any

wrongdoing or liability. United States District Judge ROBERT SWEET approved the settlement today in Manhattan federal court.

Mr. GARCIA stated: "Hospital managers and administrators must ensure that the accurate billing of Medicare is a top priority. The Government is dedicated to safeguarding our federal medical programs, and will vigorously investigate and charge conduct that unlawfully depletes our country's limited health care funds."

Mr. GARCIA praised the investigative efforts and assistance provided in the case by the Department of Health and Human Services Office of Inspector General.

Assistant United States Attorney HEIDI A. WENDEL is in charge of the case.

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