



Department of Justice

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HEALTH ALLIANCE OF GREATER CINCINNATI, TWO OHIO HOSPITALS, AND PHYSICIAN GROUP TO PAY \$2.6 MILLION TO RESOLVE FRAUD ALLEGATIONS

WASHINGTON – The Health Alliance of Greater Cincinnati, two of its member hospitals (The Fort Hamilton Hospital and The University Hospital), and University Internal Medicine Associates Inc. have agreed to pay the United States \$2.6 million to settle claims that they violated the Anti-Kickback Statute and the False Claims Act by engaging in a kickback-for-referral scheme, the Justice Department announced today.

The Fort Hamilton Hospital is a 310-bed hospital located in Hamilton, Ohio. The alleged scheme involved the hospital's desire to expand the scope of its cardiology services to include certain interventional cardiology procedures. Under state law, The Fort Hamilton Hospital could only perform the interventional cardiology procedures if it participated in a particular clinical trial involving those procedures.

The government asserted that University Internal Medicine Associates, a physician group based at The University Hospital in Cincinnati, offered to provide the interventional cardiology coverage that The Fort Hamilton Hospital needed for the clinical trial, but only if the hospital agreed to refer cardiology patients and procedures to the physician group on a preferential basis. The government contended that the preferential referral arrangements sometimes resulted in patients being transferred to The University Hospital, or being seen by cardiologists with University Internal Medicine Associates, rather than the hospital or cardiologist of their choosing.

The government asserted that the arrangements violated the federal Anti-Kickback Statute, which prohibits a hospital from soliciting or receiving, or a physician from offering or paying, anything of value in return for patient referrals. The United States also alleged that the claims The Fort Hamilton Hospital, The University Hospital, and University Internal Medicine

Associates submitted to Medicare as a result of this illegal kickback scheme violated the False Claims Act.

“Hospitals and other health care providers must not allow their financial interests to unduly influence medical decision-making,” said Tony West, Assistant Attorney General for the Civil Division of the Department of Justice. “We are committed to protecting the integrity of our federal health care programs by ensuring that financial incentives do not improperly interfere with patient choice and the exercise of sound medical judgment.”

The allegations resolved by the settlement were initiated by a whistleblower lawsuit filed under the *qui tam* provisions of the False Claims Act, which allow private parties to file actions on behalf of the United States and share in any recovery. The whistleblower in this suit, Dr. Deborah Hauger, a cardiologist who formerly worked at The Fort Hamilton Hospital, will receive \$468,000.

“The False Claims Act is a valuable tool in identifying and deterring fraud and abuse in government health care programs,” said William E. Hunt, acting U.S. Attorney for this case. “The *qui tam* provisions of the Act are especially important in a case such as this, where the fraud turned on private referral arrangements known only to insiders.”

Assistant Attorney General West noted that this settlement was the result of a coordinated effort among the Justice Department’s Civil Division, the U.S. Attorney’s Office for the Southern District of Ohio, and the Office of the Inspector General of the U.S. Department of Health and Human Services.

This settlement is part of the government’s emphasis on combating health care fraud. One of the most powerful tools in that effort is the False Claims Act, which the Justice Department has used to recover approximately \$3 billion since January 2009 in cases involving fraud against federal health care programs. The Justice Department’s total recoveries in False Claims Act cases since January 2009 are nearly \$4 billion.

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