



UNITED STATES ATTORNEY'S OFFICE

*United States Attorney Donald W. Washington
Western District of Louisiana*

United States Courthouse • 300 Fannin Street, Suite 3201 • Shreveport, Louisiana 71101-3068 • (318) 676-3600
United States Courthouse • 800 Lafayette Street, Suite 2200 • Lafayette, Louisiana 70501-7206 • (337) 262-6618

For Immediate Release
January 11, 2008

Contact: Donald W. Washington (337-262-6618)
William J. Flanagan (318-676-3600)

<http://www.usdoj.gov/usao/law>

LAFAYETTE GENERAL MEDICAL CENTER TO PAY \$1.9 MILLION TO SETTLE FRAUD ALLEGATIONS IN CONNECTION WITH MEDICALLY UNNECESSARY CARDIOLOGY PROCEDURES

Lafayette, Louisiana . . . United States Attorney Donald W. Washington announced today that **LAFAYETTE GENERAL MEDICAL CENTER (LGMC)** will pay \$1.9 million to settle allegations that it defrauded federal and state health plans, including Medicare, Tricare, the Federal Employee Health Benefit Plan and Medicaid by billing those programs for medically unnecessary cardiology procedures.

The settlement resolves allegations by federal authorities that between 1999 and 2004, LGMC knowingly made claims for payment to federal health plans in connection with medically unnecessary elective angiogram, angioplasty and stenting procedures performed at its facilities. Federal authorities alleged that LGMC knew -- from reports of hospital employees and from reports generated by its own internal review processes -- that a physician was performing unnecessary procedures at its hospital yet deliberately failed to address the problem.

U.S. Attorney Washington stated: "Hospital providers like LGMC are not entitled to be paid by federal health plans for medically unnecessary procedures. And they may not simply rely on the representations -- or in this case the misrepresentations -- of the physicians they allow to practice within

their facilities. Providers like LGMC have a separate, independent and on-going duty to review the practices and procedures of the physicians they credential, assess those activities in light of applicable standards of care, and consistently act in whatever manner is necessary to ensure the medical necessity of procedures and the accuracy and integrity of every claim the hospital submits.”

The settlement is being made under the False Claims Act, a federal civil fraud statute which is the government’s principal tool in recouping dollars obtained through fraud and misrepresentation. The Act allows individuals who have witnessed fraud to file suit on behalf of the United States under the statute’s *qui tam* provisions and, under appropriate circumstances, share a portion of any monetary recovery that is made. In this case, Dr. Christopher Mallavarapu, a cardiologist, approached federal authorities claiming that another cardiologist was routinely endangering the health and safety of patients by subjecting them to unnecessary and inappropriate medical procedures. Government investigators received the Mallavarapu allegations, reviewed them along with others already under consideration, found them to be meritorious and decided to intervene in and litigate the matter.

U.S. Attorney Washington further stated: “Hospitals will be held accountable when they fail in their primary mission to care for their patients appropriately, ethically and respectfully. To successfully discharge their basic obligations to patient safety, hospitals must create and follow reasonable processes as the gatekeeper for safeguarding patients from unscrupulous practitioners who would harm them during their hospital stay. This matter should send a strong message to all healthcare providers, particularly hospitals, that they owe a very important duty to both their patients and the federal programs from whom they seek payment to act responsibly. Healthcare fraud of this type or any other remains a high priority that will continue to receive this office’s full attention and resources.”

This case was investigated by the U.S. Department of Health and Human Service's Office of Inspector General, and prosecuted by Assistant U.S. Attorneys Alec Alexander and Kelly Uebinger, and Investigator Chris Knighton.

#