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**LSU-SHREVEPORT MEDICAL SCHOOL TO PAY \$700,000.00 TO SETTLE
FEDERAL FRAUD SUIT INVOLVING NEVER-PERFORMED SERVICES
BY ORTHOPEDIC TEACHING PHYSICIANS**

Lafayette, Louisiana . . . United States Attorney Donald W. Washington announced today that the Louisiana State University Health Science Center in Shreveport (LSUHSC-S) will pay more than \$700,000.00 to settle allegations that it defrauded the federal Medicare program by billing for medical services which were never provided.

The settlement resolves allegations that between 1995 and 2005, LSUHSC-S billed Medicare for never-performed services by teaching physicians within the medical school's orthopedic surgery department. The federal investigation revealed that LSUHSC-S routinely submitted claims for payment to Medicare Part B on behalf of teaching physicians who claimed to have assisted orthopedic residents during surgery when in fact they were not present for the procedure as required. Under federal law, Medicare pays for physician services performed by medical residents at teaching facilities through Part A of the program. Medicare will pay an additional professional fee through Part B to teaching physicians who supervise medical residents during surgery, but only if they are present and participate in the critical portions of the case. To obtain the additional payment, physicians must specifically describe and certify the scope and extent of their role during surgical procedures performed by residents.

The investigation revealed that during the relevant time period, numerous teaching physicians in the orthopedic department falsely claimed to have participated in orthopedic surgery cases performed by residents. In many cases the teaching physician was not present as required. LSUHSC-S then submitted the Part B claims to Medicare on behalf of the physicians and divided the federal reimbursements between the hospital and the teaching physicians.

United States Attorney Donald W. Washington stated: “The Medicare program already pays for surgical services provided by resident physicians. False claims by unscrupulous teaching physicians for additional services that they didn’t provide is precisely the type of healthcare fraud that poses a real and present threat to both the continued vitality of the Medicare program and to the future viability of critically important teaching hospitals throughout the United States.”

The settlement is being made under the Federal 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 statutes’ *qui tam* provisions and, under appropriate circumstances, share a portion of any monetary recovery that is made. In this case, a suit was filed by William Overdyke, a former teaching physician in the LSU orthopedic department, and Susan Belgard Hodnett, a registered nurse. Overdyke and Hodnett approached federal authorities and provided evidence that LSUHSC-S was billing Medicare for services by teaching physicians, including a former head of the orthopedic department, when in fact those physicians had not attended many of the procedures. The United States investigated the allegations, found them to be meritorious and decided to intervene in and litigate the False Claims Act suit.

U. S. Attorney Washington further stated: “America’s teaching hospitals have a profound duty to carefully safeguard federal dollars entrusted to them and prevent fraudulent claim submissions. Failure to

do so threatens vital federal healthcare programs. It also imperils the continued vitality and longevity of important teaching institutions and undermines their primary mission – the training of future generations of healthcare professionals. The United States Department of Justice and the U.S. Attorney’s Office remain committed to investigating and aggressively prosecuting all forms of healthcare fraud wherever it is found.”

This case was jointly investigated and prosecuted by Assistant United States Attorney Alec G. Alexander and Investigator Chris Knighton, U. S. Attorney’s Office - Western District of Louisiana, and Special Agent Barbara Alleman, United States Department of Health and Human Services - Office of Inspector General.