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Georgia: Atlanta Hospital Pays \$26 Million to Settle Employee's Claims

By Diane Cadrain

St. Joseph's Hospital of Atlanta has agreed to pay \$26 million to settle an employee's claim that its billing practices violated the federal False Claims Act. As allowed by that act, the whistleblower, Tami Ramsey, a registered nurse and former hospital employee, will receive \$4.94 million as her share of the recovery in the case.

Ramsey went to David E. Nahmias, U.S. Attorney for the Northern District of Georgia, claiming that the hospital routinely claimed Medicare dollars for services that it said were done on an inpatient basis—but which were actually outpatient procedures. Medicare payment rules allowed the hospital to receive much higher payments for the claimed inpatient procedures. An ensuing investigation verified Ramsey's claims.

The settlement covers claims for procedures provided during short inpatient admissions, usually of one day or less but sometimes longer, where the services were such that they should have been billed on an outpatient "observation" basis or as an emergency room visit. It also covers claims where the hospital admitted patients for three days, without meeting the criteria for a covered admission, so the patients would qualify under Medicare payment rules for subsequent coverage for skilled nursing facility services.

Federal prosecutors agreed to dismiss the lawsuit in exchange for the \$26 million payment. As a condition of continued participation in federal health care programs, the hospital was required to enter into a corporate integrity agreement subjecting it to strict policies and procedures governing the use of federal health care funds.

Diane Cadrain is an attorney who has been writing about employment law issues for more than 20 years. She is a member of the Human Resource Association of Central Connecticut.

It is critical that organizations implement and make apart of their organizations core values such as integrity. What are you doing to ensure that your employees are doing the "right" things with regards to your business practices each day? It is much better to have it outlined and documented than to find out as St. Joseph's did. Call us today to learn more about how we can protect your organization. 770-248-0401.