

ATLANTA BUSINESS CHRONICLE

Piedmont Healthcare to pay \$16 million to resolve federal allegations



By [David Allison](#) – Editor, Atlanta Business Chronicle Jun 25, 2020, 3:25pm EDT

Piedmont Healthcare will pay \$16 million to settle allegations that it overcharged federal healthcare programs, the U.S. Department of Justice [said Thursday](#).

The feds claim Piedmont, one of Atlanta's largest health systems, violated the False Claims Act by billing Medicare and Medicaid for procedures at the more expensive inpatient level of care instead of the less costly outpatient or observation level of care.

The settlement also resolves allegations that Piedmont paid a commercially unreasonable and above fair market value to acquire Atlanta Cardiology Group in 2007 in violation of the federal Anti-Kickback Statute, the feds said.

The settlement resolves two separate False Claims Act allegations. First, between 2009 and 2013, the feds claim, "Piedmont's case managers allegedly overturned the judgment of its

treating physicians on numerous occasions and billed Medicare and Medicaid at the more expensive inpatient level of care even though the treating physicians recommended performing the procedures at the less expensive outpatient or observation level of care."

Then, in 2007, Piedmont allegedly acquired the Atlanta Cardiology Group, a physician practice group, in violation of the federal Anti-Kickback Statute by paying a commercially unreasonable and above fair market value for a catheterization lab partly owned by the practice group.

The settlement resolves a federal whistleblower lawsuit filed in 2016 by a former Piedmont physician ([read it here.](#)) The whistleblower in this case will receive \$2,967,400, the feds said Thursday.

"Billing the government for unnecessary inpatient services wastes precious government resources and taxpayer dollars," said U.S. Attorney Byung J. "BJay" Pak in a statement. "All appropriate action will be taken to ensure that beneficiaries of federal health care programs received services untainted by overcharges and improper financial incentives."