

Piedmont Healthcare Pays \$16,000,000 to Settle Whistleblower Allegations of Billing Improper Cardiac and Vascular Short-Stay Admissions and for Certain Physician Compensation Arrangements in Violation of the Anti-Kickback Statute, Announces Moss & Gilmore LLP

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ATLANTA, June 25, 2020 /PRNewswire/ -- Atlanta and New York-based Moss & Gilmore LLP announced today the settlement with the U.S. Department of Justice ("DOJ") and State of Georgia of a False Claims Act ("FCA") lawsuit against Piedmont Healthcare, Inc., Piedmont Hospital, Inc., Piedmont Cardiology of Atlanta, LLC and Piedmont Heart Institute Physicians, Inc. ("Piedmont"). Piedmont is a not-for-profit health system based in Atlanta, Georgia that provides hospital and other healthcare services to residents in the State of Georgia. According to its website, "Piedmont is known as a leading health system in treatment of heart disease, organ transplantation and cancer care with 11 hospitals, 27 urgent care centers, 34 Piedmont QuickCare locations, 555 Piedmont Clinic physician practice locations and more than 2,300 Piedmont Clinic members."

According to the Department of Justice website, Piedmont, while not acknowledging wrongdoing, will pay to DOJ \$16,000,000 to resolve allegations that it knowingly violated the FCA and the Georgia False Medicaid Claims Act by, among other things:

First, between 2009 and 2013, 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.

Second, 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

DOJ's press release can be found at <https://www.justice.gov/usao-ndga/pr/atlanta-hospital-system-pay-16-million-resolve-false-claims-allegations>.

The whistleblower, who was awarded a relator's share of \$2,967,400 by DOJ, was represented by Raymond L. Moss at Moss & Gilmore LLP, who initially brought this FCA action on behalf of the whistleblower, the U.S. Government and the State of Georgia against Piedmont in 2016. The action also included claims for retaliation against the whistleblower, which were also resolved as part of the settlement.

"Recent actions and interventions by DOJ in FCA cases are a loud wake-up call to hospitals and physicians throughout the country who treat cardiac and other critically ill patients and hospitals and other groups that enter into above-market or questionable compensation arrangements and/or acquire medical practices, with physicians and others in order to induce referrals, without an appropriate safe harbor," said Mr. Moss. "Despite rumors to the contrary, COVID-19 will not shield healthcare providers from potential liability under the False Claims Act."

The case, brought in the United States District Court for the Northern District of Georgia, is captioned, *United States and the State of Georgia ex rel. Doe v. Piedmont Healthcare, Inc., Piedmont Hospital, Inc. Piedmont Atlanta Hospital, Inc., Piedmont Cardiology of Atlanta, LLC, and Piedmont Heart Institute Physicians, Inc., Piedmont Fayette Hospital, Piedmont Mountainside Hospital, Inc., Piedmont Newnan Hospital, Inc., Piedmont Henry Hospital, Inc., Piedmont Medical Care Corporation, and Piedmont Heart Institute, Inc.*

The Government investigation and settlement of these allegations was handled and settled by the United States Attorney's Office in the Northern District of Georgia through Assistant United States Attorneys Armen Adzhemyan and Georgia Assistant Attorney General James Mooney in the Medicaid Fraud Division. The Department of Health and Human Services ("HHS") for the Inspector General also participated in the investigation. The Northern District of Georgia was directly and jointly responsible for over \$169 million in criminal and civil collections for Fiscal Year 2019.

The False Claims Act fosters a private-public partnership to fight fraud against the government. The law encourages whistleblowers to file civil lawsuits against companies that are defrauding the government by offering job protection against retaliation and a reward of 15 to 30 percent of the government's civil recovery if the government joins or intervenes in the case. Under the False Claims Act, the United States may recover three times the amount of losses, plus civil penalties.

About Moss & Gilmore LLP: *With offices in Atlanta and New York, Moss & Gilmore LLP represents whistleblowers in the U.S. and worldwide in federal and state false claim whistleblower and related retaliation cases involving healthcare fraud and military procurement fraud. Moss & Gilmore LLP represents whistleblowers in cases under the False Claims Act and claims under the U.S. Securities and Exchange Commission, Commodity Futures Trading*

Commission involving securities and commodities fraud and IRS whistleblower reward programs. For more information, visit www.mossgilmorelaw.com.

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