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Atlanta Hospital Co. To Pay \$16M To End Overbilling Suit

By **Rosie Manins**

Law360 (June 26, 2020, 7:14 PM EDT) -- Atlanta hospital system Piedmont Healthcare Inc. will pay \$16 million to quash whistleblower allegations that it overbilled the government by "tens of millions" for unnecessary patient care and initiated kickback schemes to increase profits, the U.S. Department of Justice has announced.

A former Piedmont physician, who isn't named in public court filings, alleged in a 2016 complaint that was unsealed Wednesday that for years Piedmont overruled its own physicians by admitting patients who only needed outpatient services, so it could bill Medicare and Medicaid for the more expensive care. The hospital system was also accused of giving physicians and other medical practitioners kickbacks to have them refer patients to its facilities, and of paying too much to acquire Atlanta Cardiology Group in 2007 in violation of the federal Anti-Kickback Statute.

In a statement, Piedmont said it denies all wrongdoing and settled to end a "costly and time-consuming investigation."

The unnamed doctor will get almost \$3 million under the settlement, which was approved in Georgia federal court by U.S District Judge Eleanor L. Ross.

The doctor said Piedmont received "tens of millions of dollars of medically unnecessary and otherwise illegal payments" through the unlawful billing practices between 2009 and 2013.

And the suit claimed Piedmont and its subsidiaries put patients' health at risk with invasive procedures they didn't need, just so the organization could make more money. The doctor and many other Piedmont physicians and staff members were threatened under "enormous pressure" to go along with it, and those who resisted or refused were punished, the suit said.

"Relator believes that some of these procedures did, in fact, result in the injury of patients," the doctor said in the complaint. "The entire goal of defendants' campaign was to persuade defendants' hospitals to treat these procedures and conditions as inpatient admissions, to maximize profit and revenue."

Piedmont was sued under seal by the doctor on behalf of the government, per the whistleblower provisions of the False Claims Act.

Piedmont said in a statement it did its best at the time to interpret "confusing" government standards over how patient care was classified, "which was a major challenge for every health system in the country."

"Piedmont assigned patient status as best it could, in part with the assistance of an industry-leading third-party vendor that helped interpret these technical definitions," the organization said. "In all cases, our doctors and nurses made their decisions based on the best interest and health of their patients, just like they always have and always will."

Judge Ross granted the government's request for all but the complaint and the last filings in the case to be kept confidential. Few details of the settlement are available.

Raymond L. Moss of Moss & Gilmore LLP, who represents the doctor, said his client is glad the allegations and Piedmont's practices have come to light and that "justice has been done."

"The settlement is a very good result," Moss told Law360 on Friday. "The DOJ took a great interest in this case and the novel issues presented."

The government declined to comment on the case Friday, but said in a statement Thursday it will continue to target Medicare and Medicaid fraud.

"We will not tolerate such greed-fueled schemes, which bilk taxpayer-funded health care programs and undermine the public's trust in the health care industry," said Derrick L. Jackson, a special agent of the U.S. Department of Health and Human Services' Office of Inspector General.

The doctor is represented by Raymond L. Moss of Moss & Gilmore LLP.

The government is represented by Armen Adzhemyan and James Philip Mooney.

Piedmont is represented by Michael E. Paulhus of King & Spalding LLP.

The case is U.S. ex. rel. et al. v. Piedmont Healthcare Inc. et al., case number 1:16-cv-780, in the U.S. District Court for the Northern District of Georgia.

--Editing by Marygrace Murphy.