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Former Hospital CEO Is Sentenced To Prison After Defrauding Insurers

By Nina Youngstrom

The former CEO of a Texas hospital faces up to five years in prison for his role in a lab billing scheme that defrauded private insurers, the U.S. Attorney's Office for the Northern District of Texas said March 11. Harris Brooks, who was CEO of Palo Pinto General Hospital, allowed the hospital's national provider identification number to be used to bill private insurers for lab work that wasn't performed on hospital patients or at the hospital.

It's rare to see fraud against commercial payers pursued by the Department of Justice (DOJ) without a whiff of federal health care programs in the court papers, attorneys say. DOJ stepped in this time to prosecute a so-called pass-through billing scheme, which until now has been litigated in private lawsuits. Brooks pleaded guilty to defrauding Blue Cross and Blue Shield of Texas, CIGNA Texas and UnitedHealthcare out of \$9 million in eight months, from September 2017 through June 2018, according to the stipulation of facts in the "factual resume" and other court papers.

"What's unique here is [prosecutors] are getting pretty comfortable criminally charging individuals for arrangements that are private under the federal health care fraud statute," says attorney Nathan Fish, with Greenberg Traurig in Dallas, Texas. Usually some part of a case involves federal government programs because it's hard to carve them out even when providers and suppliers try, he says.

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