

Report on Medicare Compliance Volume 28, Number 17. May 06, 2019 Former HMA CEO Settles FCA Case After Corporate Fraud Settlement

By Nina Youngstrom

About eight months after Health Management Associates (HMA) agreed to pay \$260 million to resolve false claims allegations and criminal charges and entered into a non-prosecution agreement (NPA) over medically unnecessary admissions and payments for referrals, its former CEO agreed to pay \$3.46 million out of his own pocket.

Gary Newsome settled allegations that he caused HMA hospitals to submit false claims to government health care programs for certain inpatient admissions that should have been billed as outpatient or observation services, the Department of Justice (DOJ) said April 30. He allegedly caused HMA to pressure emergency room (ER) physicians “to increase inpatient admissions by recommending admission to admitting physicians without regard to medical necessity” from Sept. 15, 2008, to Dec. 31, 2012, according to the settlement. The conduct is limited to claims submitted by the hospitals listed in the settlement. Newsome also allegedly caused HMA to pay ER physicians remuneration in exchange for referrals.

Newsome continues to “emphatically” deny the government’s allegations, says his attorney, Barry Sabin, with Latham & Watkins in Washington, D.C. “Mr. Newsome is pleased that this matter is now behind him. He is pleased to now end the uncertainty and high expense of protracted litigation.” He left HMA in 2013 “to go on a mission in South America consistent with his religious commitment,” Sabin says.

This document is only available to subscribers. Please log in or purchase access.

[Purchase Login](#)