

Report on Medicare Compliance Volume 27, Number 34. October 01, 2018

HMA Pays \$260M to Resolve FCA Allegations, Criminal Case, Mostly Over ER-Driven Admissions

By Nina Youngstrom

In a case with many moving parts, 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 to physicians for referrals, the Department of Justice (DOJ) said Sept. 25. HMA, a hospital chain that's now a subsidiary of Community Health Systems, Inc., (CHS) is putting to bed allegations from eight whistleblower lawsuits (RMC 1/20/14, p. 3). In part, they alleged that HMA hospitals pushed emergency department (ED) physicians to admit inpatients, who could have been treated as outpatients, in observation or released. The misconduct led to inflated Medicare, Medicaid and TRICARE charges.

HMA and CHS agreed to a three-year NPA, which stated that "senior corporate and division executives at HMA and administrators at HMA hospitals participated in a scheme to defraud Federal health care programs ... by unlawfully pressuring and inducing physicians serving HMA hospitals to increase the number of emergency department patient admissions without regard to whether the admissions were medically necessary so that HMA hospitals could bill and obtain reimbursement for higher-paying inpatient hospital care."

With an NPA, HMA admits the violations set forth in a statement of facts and adopts compliance reforms, and if all goes well, DOJ won't prosecute. But charges could be filed if the hospital chain breaches the agreement. The compliance reforms are part of a corporate integrity agreement (CIA) that was already in place with CHS in connection with its unrelated \$98 million false claims settlement for allegedly billing inpatient admissions that should have been outpatient or observation services from 2005 through 2010 (RMC 8/11/14, p. 2). In light of the HMA settlement, the CHS CIA was amended and extended two years, until 2021.

This document is only available to subscribers. Please [log in](#) or [purchase access](#).

[Purchase Login](#)