

Report on Medicare Compliance Volume 31, Number 13. April 11, 2022 Health System Pays \$20M to Settle Case Over Matching Medicaid Funds

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In fewer than two months, two unrelated health systems have settled allegations that they gamed money from the federal government through Medicaid and its matching funds. In the newer case, BayCare Health System Inc. in Florida and the entities that run four of its hospitals agreed to pay \$20 million over false claims allegations that they leveraged a bigger slice of federal financial participation in an arrangement involving donations to a county agency, the Department of Justice (DOJ) said April 6.^[1] The four hospitals are Morton Plant Hospital, Mease Countryside Hospital, Mease Dunedin Hospital and St. Anthony's Hospital.

In February, NCH Healthcare System, which runs two hospitals in Florida, agreed to pay \$5.5 million to settle common law allegations of similar improper payments.^[2]

The settlements focus on rules governing "bona fide" provider-related donations to the state or a local unit of government.^[3] In a nutshell, a bona fide donation doesn't have a direct or indirect relationship to the Medicaid payments received by the provider. If they aren't bona fide, the payments may set off a chain reaction that ends in extra Medicaid payments to the provider.

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