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Hospital Settles FCA Allegations It Billed for Services of an Unsupervised LMSW

By Nina Youngstrom

In a case about supervision, Oswego Hospital in New York state agreed to pay \$98,694 to settle false claims allegations that it billed Medicare and Medicaid for services provided by an employed licensed master social worker (LMSW) without the supervision required by the state, the U.S. Attorney's Office for the Northern District of New York said Oct. 26.^[1] The hospital also allegedly failed to return Medicare and Medicaid overpayments in connection with LMSW services.

Oswego Hospital, which includes Oswego Behavioral Health Services, is part of Oswego Health System. The False Claims Act (FCA) lawsuit was set in motion by a whistleblower, Maureen Mounce Bradley, an LMSW who alleged she "repeatedly" informed the hospital, including the director of outpatient behavioral health services, that "services were being improperly billed to government insurance programs because she was not receiving the required level of supervision," according to the 2019 FCA complaint.^[2] No corrective actions were taken in response, she alleged.

Although licensure rules aren't billing rules, they "create False Claims Act exposure if you have licensure deficiencies," said attorney Jeffrey Fitzgerald, with Polsinelli in Denver, Colorado. "I'm not convinced they had licensing deficiencies here, but the larger lesson is it makes sense for compliance folks to pay attention to licensing issues because they can create bigger problems, even if I don't think this is a False Claims Act violation."

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