

Report on Medicare Compliance Volume 32, Number 8. February 27, 2023 Hospital Pays \$21.6M in FCA Settlement; 'Worthless' Services Alleged

By Nina Youngstrom

A long-term care hospital in Houston, Texas, has agreed to pay \$21.6 million to settle false claims allegations that it improperly billed Medicare for services provided by unauthorized students and for services that were not performed or were “worthless,” the U.S. Attorney’s Office for the Southern District of Texas said Feb. 22.^[1]

Cornerstone Healthcare Group Holding Inc. and CHG Hospital Medical Center LLC, doing business as Cornerstone Hospital Medical Center, provided extended medical and rehabilitative care to patients with multiple acute and/or chronic conditions. The hospital is not operating anymore as a long-term care hospital and CHG has been acquired by ScionHealth.^[2]

According to the settlement, between Jan. 1, 2012, and December 2018, the government alleged that Cornerstone Hospital Medical Center billed Medicare for services provided by the “unauthorized and unlicensed students” of physicians Jorge Guerrero, Joel Joselevitz and Joseph Varon as if the services were performed by the patients’ treating physicians.^[3] The hospital also allegedly submitted claims to Medicare for services “not rendered while the alleged treating physicians were on foreign travel.” And the government alleged the hospital billed Medicare for services that weren’t supported by the patients’ diagnoses or medical records “and for services that were either not rendered or so inadequate that they were worthless.” Because the false claims allegedly were submitted knowingly to Medicare, Cornerstone allegedly violated the False Claims Act (FCA), according to the settlement.

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