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Health System Settles CMP Case Over Discounts, Copay Waivers for Employees, Family Members

By Nina Youngstrom

Kaleida Health and Olean General Hospital in western New York state have agreed to pay \$2.7 million in a settlement with the HHS Office of Inspector General (OIG) over discounts for employees and their families who were covered by federal health care programs. OIG alleged the perks—including copay waivers, discounts on services and free television—were remuneration that invited civil money penalties. The settlement stemmed from self-disclosures by Kaleida Health and Olean, an affiliated hospital.

“Any program that has the potential to provide benefits to federal health care program beneficiaries poses significant risk,” said attorney Allison DeLaurentis, with Goodwin in Philadelphia. Whether a copay was waived or a room was upgraded to private, the government takes the position that the benefit “taints the entire claim,” she said. “Even if the actual remuneration was fairly nominal, it could result in fairly large damages.”

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