

# Report on Medicare Compliance Volume 32, Number 43. December 04, 2023

## Health System, Cardiologist Settle Related FCA Cases Over Cath Procedures, Admissions

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By Nina Youngstrom

Appalachian Regional Healthcare Inc. (ARH) has agreed to pay \$2.884 million to settle false claims allegations that it billed Medicare and Kentucky Medicaid for medically unnecessary cardiac catheterization procedures and inpatient admissions in connection with one cardiologist, the U.S. Attorney's Office for the Eastern District of Kentucky said Nov. 28.<sup>[1]</sup> The cardiologist, Padubidri Chandrashekar, M.D., and his practice, Mountain Heart Center, P.S.C., settled the false claims allegations separately for \$149,815.

The government alleged Chandrashekar admitted inpatients to the hospital in advance of their diagnostic cardiac cath, performed or ordered the procedures and caused ARH to bill for them without adequate documentation.

ARH's settlement stemmed from its self-disclosure to the U.S. attorney's office in December 2018. After concerns were identified about Chandrashekar's documentation of his admissions to Whitesburg ARH Hospital and Hazard ARH Regional Medical Center and his cardiac cath procedures later performed at the hospitals, ARH launched an investigation, said Maria Braman, M.D., ARH's chief medical officer, in a statement. Chandrashekar wasn't employed by ARH, but he had admission privileges at the two hospitals. He hasn't had medical privileges or performed services at any ARH facility since 2018, Braman noted. In his own statement, Chandrashekar "categorically" denied the allegations and noted he wasn't required to implement a corporate integrity agreement (the same goes for ARH, which is typical with a self-disclosure).

There are some interesting facts here. ARH's settlement amount is almost entirely restitution—only \$236,470 is a penalty. "The penalty is quite small," said David Traskey, a former senior counsel for the HHS Office of Inspector General (OIG). There are typically two reasons it turns out this way: one is that OIG and the U.S. Department of Justice (DOJ) incentivize providers to self-disclose with the promise of a lower penalty. The other possibility is that "a large portion of the covered conduct is outside the statute of limitations," said Traskey, with Garfunkel, Wild P.C. in Washington, D.C.

The settlement amount for the cardiologist and his practice is much smaller, but a larger proportion, \$60,421, is a penalty. Additional allegations also appear in his settlement, including medically unnecessary evaluation and management (E/M) visits and ambulance transports to the hospital.

"The fact the government followed the trail all the way back is an interesting factual piece to the case and is one of those things the provider community should be mindful of," Traskey said. "The risk is not necessarily one procedure the government could find is medically unnecessary but if they start working backward, the risk of exposure is significantly more. There are other ancillary services related to cardiac catheterization."

According to the settlement with ARH, the government alleged that between Jan. 1, 2013, and Sept. 30, 2018, ARH billed Medicare and Medicaid under revenue code 481 (cath lab) for technical services for diagnostic cardiac cath performed by Chandrashekar on patients with unstable angina diagnoses.<sup>[2]</sup> The government alleged the claims weren't reimbursable "because ARH had insufficient documentation to support the medical necessity of the

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catheterizations, in that Dr. Chandrashekar’s documentation was inconsistent with the patients’ actual presentation or were otherwise inaccurate.” Also, between July 1, 2012, and Jan. 31, 2019, ARH billed Medicare and Medicaid for inpatients admitted by Chandrashekar with diagnoses of unstable angina to ARH Whitesburg. The claims allegedly were false because the admissions failed to meet the severity of illness or intensity of services criteria required for inpatient admission.

“The United States and the Commonwealth of Kentucky contend that ARH deliberately ignored or recklessly disregarded that these requirements were not met when submitting the claims for Dr. Chandrashekar’s inpatient admissions,” the settlement said.

In the settlement with Chandrashekar and his practice, the government alleged they submitted false claims to Medicare and Medicaid between Jan. 1, 2017, and Sept. 30, 2018, because the medical necessity of their cardiac cath services wasn’t supported in the medical record.<sup>[3]</sup> The government lodged the same allegations about inpatient admissions (to ARH Whitesburg) as it did against ARH and contended Chandrashekar caused the hospital to submit false claims.

Then there were allegations unique to the cardiologist. The government alleged that between Jan. 1, 2017, and Sept. 30, 2018, Chandrashekar billed Medicare and Medicaid for medically unnecessary E/M services performed before the cardiac cath and during the hospital admissions. During the same period, “ambulance companies that provided Ambulance Transfers on Dr. Chandrashekar’s behalf submitted claims to Medicare and Kentucky Medicaid,” the government alleged. The transfers allegedly weren’t medically necessary because the patients were inappropriately admitted to ARH Whitesburg before their cardiac cath and didn’t need ambulance rides to ARH Hazard for the cath services.

## **Expert: Cardiac Caths Typically Are Outpatient**

Stephanie Van Zandt, M.D., medical director of physician advisor services at a large health system in Florida, said it’s unusual for patients to be admitted as inpatients for elective cardiac cath, although “there are always exceptions.” Patients may be admitted, for example, if they have poorly controlled diabetes. But Van Zandt noted that cath procedures, which are performed in a cardiac cath lab, are “scheduled and prepped with the use of cardiac cath checklists.”

Three groups of clinical staff typically are aware of a cardiologist’s documentation: the clinical staffers in surgical services, who evaluate the medical records for the appropriateness of a procedure and presence of the history and physical; the anesthesia team; and the utilization reviewers/case managers who review the documentation of inpatient cases for medical necessity.

“If the admission does not meet medical necessity, the case is referred to a utilization review physician for further determination,” Van Zandt said. “Sometimes larger health systems employ specific UR RNs who specialize in review for medical necessity of planned surgical services including cardiac procedures.”

The checks and balances should help prevent medically unnecessary procedures and admissions, she noted.

In a statement, Chandrashekar noted that “multiple nationally renowned board-certified experts in cardiology have unequivocally concluded that the services provided by Dr. Chandrashekar were medically necessary and clinically appropriate. Dr. Chandrashekar continues his commitment to serving the community and his patients by providing treatment consistent with best practices and high standards of medical care.”

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- 1** U.S. Department of Justice, U.S. Attorney’s Office for the Eastern District of Kentucky, “Eastern Kentucky Hospital System and Cardiologist Agree to Collectively Pay More Than \$3 Million to Resolve Civil Liability for Improper Healthcare Billings,” news release, November 28, 2023, <https://bit.ly/46G8DoS>.
- 2** Settlement Agreement, United States v. Appalachian Regional Healthcare, <https://bit.ly/3R2IieM>.
- 3** Settlement Agreement, United States v. Chandrashekar, <https://bit.ly/3RoX5ll>.

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