

Report on Medicare Compliance Volume 29, Number 24. June 29, 2020 Hospital Pays \$4M in Settlement Over Call Coverage, APPs; Consider 'Key Value Drivers'

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In a case about payments for call coverage and advanced practice providers (APPs), Sitka Community Hospital in Alaska agreed to pay \$4.125 million in a civil monetary penalty (CMP) settlement with the HHS Office of Inspector General, which has a COVID-19 twist.

According to the settlement, which was obtained through the Freedom of Information Act, OIG contends that from April 1, 2013, to April 25, 2019, Sitka Community Hospital paid remuneration to 16 providers in the form of excessive compensation under emergency department call coverage arrangements and APP arrangements.

Sitka Community Hospital reported problems to OIG in April 2019 and was accepted into its Self-Disclosure Protocol the following month. OIG alleged the hospital violated the Civil Monetary Penalties Law provisions applicable to kickbacks and “presented claims for designated health services furnished during the relevant time period that resulted from prohibited referrals,” the settlement stated.

An addendum to the settlement explains that the hospital asked OIG for more time to fork over the \$4.125 million, which it needed “due to effects on their business operations stemming from the COVID-19 pandemic. The OIG has granted that request.” OIG confirmed that CMS received Sitka’s payment on June 9.

Sitka Community Hospital, which didn’t admit liability in the settlement, is now part of the Southeast Alaska Regional Health Consortium. No additional details about the allegations were available, and the hospital didn’t respond to RMC’s request for comment.

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