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Hospital Settles FCA Case for \$50M; DOJ: CEO 'Disregarded' Concerns

By Nina Youngstrom

Wheeling Hospital in West Virginia has agreed to pay \$50 million to settle a False Claims Act (FCA) lawsuit over physician compensation, the Department of Justice (DOJ) said Sept. 9.^[1] The hospital allegedly went from being in the red to the black largely because of the way it paid physicians and, in the process, submitted Medicare claims tainted by the Stark Law and Anti-Kickback Statute (AKS), DOJ said.

The case was set in motion in a 2017 lawsuit^[2] by a whistleblower—Louis Longo, former executive vice president of Wheeling Hospital—and DOJ partially intervened in March 2019 with a complaint in intervention.^[3] From 2012 to 2015, Longo alleged he “repeatedly raised compliance concerns about Wheeling Hospital’s physician compensation arrangements to [the CEO], who disregarded those concerns,” according to DOJ’s complaint.

The hospital denied liability in the settlement and wasn’t required to enter into a corporate integrity agreement.

Wheeling Hospital was having financial troubles, having lost more than \$55 million between 1998 and 2005, when it hired a management company, R & V Associates, in 2006 to turn things around. Ronald Violi, the co-owner of R & V Associates, became Wheeling Hospital’s CEO, and he helped orchestrate the physician contracts at the heart of the false claims lawsuit, the DOJ complaint alleged.

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