



U.S. Department of Justice

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PRESS RELEASE

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TENET HEALTHCARE TO PAY U.S. \$22.5 MILLION FOR IMPROPERLY BILLING MEDICARE

WASHINGTON, D.C. - Tenet Healthcare Corporation has agreed to pay the United States \$22.5 million to resolve allegations that one of its facilities improperly billed Medicare for millions of dollars for referrals provided by doctors with whom the hospital had prohibited financial arrangements, the Justice Department announced today. The settlement also resolves the government's allegations that the North Ridge Medical Center in Ft. Lauderdale, Florida had requested improper reimbursements on its annual hospital cost reports.

Today's settlement is the largest False Claims Act recovery the United States has obtained from a single hospital arising out of alleged violations of the Stark Statute. The Stark Statute prohibits hospitals from billing Medicare for services rendered to patients by doctors with whom the hospital has a financial relationship, unless the financial relationship falls within specified exceptions.

The government alleged that the medical center and its parent companies had entered into a number of prohibited financial relationships with North Ridge physicians in 1993 and 1994 and had billed Medicare for referrals from these doctors through the late 1990's. The government also alleged that these Stark Statute violations gave rise to the defendants' violations of the False Claims Act.

The case was originally filed by Sal Barbera, a former Tenet executive, under the qui tam or whistleblower provisions of the False Claims Act. Under the False Claims Act, private citizens can bring suit on behalf of the government and receive an award of 15% to 25% of the recovery.

The government's investigation was conducted by the Civil Division of the Department of Justice, the United States Attorney's Office in the Southern District of Florida and the Office of Inspector General of the Department of Health and Human Services.

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