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Release No. 06-149

**PRESS RELEASE**

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**FOR IMMEDIATE RELEASE**  
**October 30, 2006**

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**NEBRASKA HOSPITAL PAYS \$4 MILLION TO RESOLVE LAWSUIT  
ALLEGING THAT IT FAILED TO RETURN OVERPAYMENTS FROM  
GOVERNMENT HEALTH INSURANCE PROGRAMS**

**Los Angeles, CA** - St. Elizabeth Regional Medical Center in Lincoln, Nebraska has paid the federal government and State of Nebraska \$4 million to settle allegations that it knowingly failed to disclose and failed to return overpayments made by the federal Medicare and the Nebraska Medicaid programs, United States Attorney Debra Wong Yang and Nebraska Attorney General Jon Bruning announced today.

The federal government's share of the settlement is \$2.8 million, and the State of Nebraska has been paid \$1.2 million. The settlement was paid on October 27, and today the government received notice that a federal judge in Los Angeles had unsealed allegations against St. Elizabeth contained in a "whistleblower" lawsuit.

The settlement resolves allegations made against St. Elizabeth in a lawsuit filed pursuant to the qui tam provisions of the False Claims Act. The whistleblower lawsuit was filed in 1998 by a former employee of Healthcare Financial Advisors (HFA), a consulting firm that assisted hospitals in preparing cost reports that were submitted to the Medicare and Medicaid health insurance programs. The lawsuit alleged that HFA helped its hospital clients seek reimbursement for unallowable costs and helped conceal known overpayments from the government. The lawsuit specifically alleged that HFA helped clients reopen previously filed cost reports to seek reimbursement for various categories of costs that it had inadvertently failed to claim in its original cost reports, while simultaneously concealing from the Medicare or Medicaid programs overpayments the hospitals knew

they had received on account of the original cost reports.

St. Elizabeth was accused of knowingly receiving overpayments from Medicare for Intensive Care Unit capital costs for fiscal years 1993 through 1996 and from Medicaid for Neonatal Intensive Care Unit services for fiscal years 1994 and 1995. The lawsuit alleged St. Elizabeth failed to refund these overpayments.

St. Elizabeth paid the settlement without admitting any wrongdoing.

The settlement was negotiated by the United States Attorney's Office for the Central District of California and the State of Nebraska Medicaid Fraud Control Unit. This case was investigated by the Department of Health and Human Services, Office of Inspector General.

The settlement with St. Elizabeth is the latest of a series of settlements with defendants in the qui tam suit. In 2005, Eisenhower Medical Center, paid the federal government \$8 million to resolve allegations that it submitted false claims in Eisenhower's 1990 through 1998 Medicare cost reports (see: <http://www.usdoj.gov/usao/cac/pr2005/123.html>). In 2004, HealthSouth Corporation paid the federal government \$736,410 to resolve allegations that it submitted false claims in HealthSouth Bakersfield's 1992 Medicare cost report (see: [http://www.usdoj.gov/opa/pr/2004/December/04\\_civ\\_807.htm](http://www.usdoj.gov/opa/pr/2004/December/04_civ_807.htm)). In 2002, Lovelace Health Systems, a New Mexico hospital and health maintenance organization owned by Cigna Corporation, paid the federal government \$24.5 million to resolve allegations that it submitted fraudulent claims in 10 years of Medicare cost reports and reopening requests (see: <http://www.usdoj.gov/usao/cac/pr2002/167.html>). Also in 2002, St. Joseph's Hospital in Houston, one of the CHRISTUS chain of hospitals, paid \$1,569,000 to resolve allegations that it knowingly failed to disclose an overpayment made by the federal Medicare program (see: <http://www.usdoj.gov/usao/cac/pr2002/041.html>).

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