



NEWS RELEASE

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FOR IMMEDIATE RELEASE

PHYSICIANS GROUP SIGNS \$1 MILLION SETTLEMENT AGREEMENT

FERRELL-DUNCAN CLINIC RESOLVES COX-RELATED ISSUES

SPRINGFIELD, Mo. – John F. Wood, United States Attorney for the Western District of Missouri, announced today that the United States has reached a \$1 million settlement that resolves claims against a Springfield, Mo., physicians group, related to its contract with Lester E. Cox Medical Centers.

Ferrell-Duncan Clinic, Inc., a medical practice comprised of approximately 100 physicians, has agreed to pay \$1 million to resolve the government's claims related to Medicare payments received under Ferrell-Duncan's contract with Cox Medical Centers.

The settlement agreement recites allegations that beginning in January 1996, Ferrell-Duncan entered into prohibited financial arrangements with Cox Medical Centers. Because those arrangements induced physicians to refer patients to Cox, they violated federal laws known as the Stark Law and the Anti-Kickback Statute.

Under the terms of the settlement agreement, Ferrell-Duncan will pay \$1 million, plus four percent interest (beginning from June 24, 2008), no later than five business days after the effective date of the agreement.

Today's agreement is neither an admission of liability by Ferrell-Duncan nor a concession by the government that its claims are not well-founded. Rather, the agreement is intended to avoid the delay, uncertainty and expense of protracted litigation of these claims.

This settlement resulted from a comprehensive, ongoing investigation by the Health and Human Services Office of Inspector General, Office of Investigations, the Office of Audit Services, and the Federal Bureau of Investigation which began in early 2003.

This case has been handled by Assistant U.S. Attorney Joel May, Senior Trial Attorney Laurie A. Oberembt of the Department of Justice Commercial Litigation Branch, and Assistant Inspector General for Legal Affairs Gregory E. Demske of the U.S. Department of Health and Human Services – Office of Inspector General.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at
www.usdoj.gov/usao/mow/index.html