

Zen garden

There are no weeds in a Zen garden; it only grows your consciousness

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The Daily Herald.

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THURSDAY, JANUARY 16, 2003

VOLUME 104, NO. 88

USPS 145-020 COLUMBIA, TENN.

50 CENTS

MRH to pay \$2 million fraud claim

Whistleblower gets \$350,000

By WILLIAM BOWERS
Staff Writer

The Department of Justice announced Wednesday Maury Regional Hospital has

agreed to pay \$2 million to settle claims of Medicare fraud brought by a former employee.

Former MRH employee Ed Taylor filed a lawsuit on behalf of the United States government in May of 1999 under the Whistleblower provision of the False Claims Act claiming the hospital was overbilling Medicare, DOJ spokesman Charles Miller said.

"We get these all the time," Miller said. "What we do is take a look at them and if they have merit, we will intervene in the case or take over the case."

Assistant Attorney General for the Civil Division Robert D. McCallum Jr. said the govern-

ment is working to curb improper billing of Medicare.

"This settlement illustrates the Justice Department's determination to recover funds that are owed to the United States," he said.

One million dollars of the settlement goes to reimburse the government for the overbilling and the other half was assessed as a penalty, according to the release.

Miller said that under the False Claims Act the whistleblower or "relator" is entitled to 15-25 percent of the settlement. According to the press release, Taylor will be paid \$350,000.

Taylor could not be reached for comment.



Taylor's lawyer Ken Nolan, of Ft. Lauderdale, Fla., said Taylor did not want to talk about the suit.

MRH spokeswoman Darlene Baxter said the

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hospital acknowledges receiving the overpayment, but disagrees with the fine, because she claims the hospital informed the government once it discovered the problems.

"We implemented a compliance program in 1997," Baxter said. "As part of that program, we now have a full-time auditor and now do additional checking on all of our billing processes. In following through with our compliance program, we found there were some possible errors."

Baxter said the instances of overbilling were reported to the government on Feb. 10, 2000.

However, because Taylor's suit was sealed, Baxter said the hospital was not aware of the suit or the government's investigation until Nov. 30, 2000, when it met with Medicare to disclose the amount of the overbilling. She said MRH offered to reimburse Medicare at that time but was told to wait.

"The government said they would be back in touch with us," Baxter said. "(We) had correspondence with them up

until December 2002 when they said it would be \$1 million in overpayments and \$1 million in fines."

Baxter said the hospital does not comment on the status of employees or former employees, but Nolan said Taylor was not fired from the hospital.

According to the press release, the DOJ claims MRH was "upcoding" or overbilling for Medicare patients.

Medicare reimburses hospitals based on a system called Diagnostic Related Groups coding. The hospitals must assign a code based on Medicare regulations. The DOJ claims MRH was providing codes which increased the reimbursements the hospital received.

The hospital's audit also showed that MRH had underbilled on several occasions, costing the hospital money, Baxter said.

"There have certainly been claims that we 'downcoded,'" Baxter said.

Hospital President Bill Walters could not be reached for comment.

Baxter said the problems stemmed from a misinterpretation of the more than 21,000 pages of Medicare regulations the hospital deals with daily.

"(The federal government) has made the billing process of insurance claims and particularly Medicare claims way too difficult," Baxter said.

Baxter said the \$1 million the hospital overbilled accounted for less than one-fourth of one percent of the \$383 million in Medicare charges the hospital reported during the time period.

"When you put it in perspective, it isn't as big as it first seems," Baxter said.

Baxter said currently Medicare accounts for 43 percent of MRH's inpatient and outpatient revenue.

Baxter said the errors have been addressed and the errors corrected.

"We have employed more coders and are requiring more training and implemented an internal auditor," she said. "We have also had an outside company review our Medicare claims, and they have found no additional errors."

Medicare representatives would not comment on the story referring all questions to the DOJ.

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