

## **CORPORATE OPERATOR OF COLUMBUS-AREA LONG-TERM-CARE HOSPITAL UNITS PAYS \$7.5 MILLION TO RESOLVE CLAIMS OF ILLEGAL KICKBACKS TO PHYSICIANS AND AGREES TO LONG-TERM COMPLIANCE MONITORING**

Nationally-known whistleblower law firms Nolan & Auerbach, P.A., based in Fort Lauderdale, and Morgan Verkamp LLC, of Cincinnati, announce the \$7.5 million settlement of False Claims Act allegations brought by their client, Beatrice Maitland, and joined by the United States Department of Justice. The settlement results from Ms. Maitland's lawsuit reporting suspect "Medical Director" payments made by Select Medical Corporation subsidiary Select Specialty Hospital—Columbus, Inc. to a number of area physicians. Select operates 110 long-term, acute-care hospitals, known as "LTACHs," nationwide. This settlement covers three Columbus area LTACHs, including one located at Grant Hospital and one located at University Hospital. Additionally, in an effort to prevent future wrongdoing, the Federal Government required the entire Select Specialty Hospital System to enter into a Corporate Integrity Agreement that mandates strict reporting and monitoring requirements.

As defined by the Department of Justice, the settlement covers the submission of claims to Medicare for reimbursement for services provided by Defendants that resulted from referral arrangements and excessive fee arrangements under Medical Director Agreements between the Defendants and certain physicians who were parties to such agreements that violate the federal Anti-Kickback Statute and the Stark Law.

"The United States contends that Defendants: (1) knowingly presented or caused to be presented false or fraudulent claims for payment or approval to the United States for services rendered to Medicare patients who were unlawfully referred to Defendants by the Directors retained at Select's Ohio LTACH facilities under agreements in effect between January 1, 2003 through December 31, 2006; (2) entered into prohibited financial relationships with the Directors at Select's Ohio LTACH facilities that were in effect between January 1, 2003 through December 31, 2006 and made illegal payments to these Directors under those relationships in violation of the Stark law during the period from January 1, 2003 through December 30, 2006; and (3) entered into prohibited financial relationships with Directors retained by Select Ohio LTACH facilities that were in effect between January 1, 2003 through December 31, 2006 and made illegal payments in excess of fair market value under those relationships."

Ms. Maitland filed her lawsuit in September 2007 pursuant to the *qui tam* provisions of the United States Civil False Claims Act. This law allows a private citizen who is knowledgeable about violations of health care or other laws pertaining to government contractors to bring a lawsuit "under seal"—that is,

out of the public eye. Ms. Maitland will receive 18% of the Government's recovery.

The United States was represented by Columbus-based Assistant United States Attorney Andrew Malek and Department of Justice attorneys from Washington, D.C.

The case is *United States ex rel. Beatrice Maitland v. Select Medical Corporation, et al.*, No. 2:07CV927 (S.D. Ohio).

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