



Department of Justice

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SAVANNAH'S MEMORIAL HEALTH UNIVERSITY MEDICAL CENTER TO PAY U.S. \$5.08 MILLION TO RESOLVE FRAUD ALLEGATIONS

WASHINGTON – Memorial Health, Inc., parent company of Memorial Health University Medical Center, a hospital headquartered in Savannah, Ga., has agreed to pay the United States \$5.08 million to settle allegations that it defrauded the federal Medicare program, the Justice Department announced today.

The settlement resolves allegations that the medical center violated the Medicare self-referral prohibition, commonly known as the Stark Law. The Stark Law prohibits doctors from referring patients to hospitals from whom they receive compensation that is not commercially reasonable or that exceeded the fair market value of their services. Here, the government had alleged that between January 2003 and December 2006, Memorial had compensated employee ophthalmologists at levels that were not commercially reasonable and that exceeded the fair market value of the ophthalmologists' services.

“Today’s settlement demonstrates that the Department of Justice is committed to ensuring that the Medicare program is not overcharged by providers who fail to comply with the prohibitions in the Stark Law,” said Jeffrey S. Bucholtz, Acting Assistant Attorney General for the Department’s Civil Division.

The civil settlement agreement released today resolves allegations against the medical center that were filed by Dr. Ryan Boland in a federal lawsuit brought under the federal False Claims Act. The False Claims Act permits private citizens to bring lawsuits alleging fraud on behalf of the United States and to share in any recovery. Under the settlement, Dr. Boland will receive \$889,000.

“This settlement reflects the Department of Justice’s commitment to the enforcement of the Stark Law, thereby ensuring that the integrity of the Medicare reimbursement process is maintained,” said Edmund A. Booth Jr., U.S. Attorney for the Southern District of Georgia.

In connection with the settlement, Memorial has entered into a Certification of Compliance Agreement with the U.S. Department of Health and Human Services, Office of Inspector General. The Certification of Compliance Agreement contains provisions intended to ensure compliance with Medicare regulations and policies in the future.

The settlement with the medical center was the result of a coordinated effort in investigating and resolving the allegations among the Justice Department’s Civil Division’s Commercial Litigation Branch; the U.S. Attorney’s Office for the Southern District of Georgia, Civil Division; and the Savannah, Ga. office of the Department of Health and Human Services, Office of Inspector General.

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