Department of Justice

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U.S. SETTLES WITH SEVEN HOSPITALS; FILES COMPLAINTS AGAINST FOUR IN CARDIAC DEVICES LITIGATION

WASHINGTON, D.C. – The United States has settled with seven hospital defendants alleged to have improperly billed Medicare for medical procedures involving experimental cardiac devices, the Justice Department announced today. This latest group of settlements brings to over $40 million the total settlements collected in the nationwide cardiac devices false claims litigation. The Department also announced that the government has intervened and filed complaints against four other hospital defendants.

The suits allege that, between 1986 and 1995, the defendant hospitals unlawfully charged federal health care programs for medical procedures using experimental cardiac devices which had not been proven safe and effective by the Food and Drug Administration, in violation of the False Claims Act. The case was originally brought by whistleblower Kevin Cosens, a former medical device salesman, against more than 100 hospital defendants.

The settlements announced today total more than $5.4 million. Beth Israel Deaconess Medical Center (formerly Beth Israel Hospital and New England Deaconess Hospital), a teaching hospital for Harvard Medical School, paid the United States $3.2 million. LDS Hospital in Salt Lake City, Utah, part of the Intermountain Health Care system, has agreed to pay $850,000. The General Hospital Center at Passaic and Hackensack University Medical Center, both located in New Jersey, paid the United States $760,000 and $314,000, respectively. Daniel Freeman

Hospital in Los Angeles paid $250,000, and Good Samaritan Hospital of Santa Clara, also in California, paid $115,000.

The government and Mr. Cosens have previously settled with 22 other defendants and continue to pursue their claims against 46 hospital defendants. As part of the continuing litigation, the United States recently intervened and filed complaints against defendants Massachusetts General Hospital, Brigham & Women's Hospital and Lahey Clinic Hospital in Boston, As well as Hospital of the Good Samaritan in Los Angeles.

Under the False Claims Act, private citizens can bring suit on behalf of the United States and share in any recovery obtained by the government. Mr. Cosens will receive more than $1 million of the settlements announced today.

The government's investigation of the settled cases was conducted by the Justice Department's Civil Division; the United States Attorney's Offices in Boston, Massachusetts; Newark, New Jersey; Salt Lake City, Utah; San Francisco and Los Angeles, California; as well as the Office of Inspector General of the Department of Health and Human Services.

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