

RELEASES



Grant & Eisenhofer Represents Whistleblowers in Nearly \$100 Million Settlement With Community Health Systems, Resolving Claims that Medicare/Medicaid Payors Were Bilked by Excessive ER Admissions

Justice Department and multi-state AG settlement resolves alleged scheme of over-admitting patients at nearly 120 CHS hospitals across 20 states; whistleblowers include former ER physician in Philadelphia.

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WASHINGTON, DC (August 4, 2014) – In a major settlement for alleged health care fraud, law firm Grant & Eisenhofer P.A., working with the U.S. Justice Department and various states’ attorneys general, has reached an agreement with **Community Health Systems** (NYSE: CYH) to resolve whistleblower lawsuits filed under federal and state false claims acts. The Franklin, Tenn.-based company, one of the nation’s largest for-profit hospital chains, will pay over \$97 Million to settle allegations that federal and state insurance plans were bilked by over-admissions for emergency rooms at nearly 120 CHS hospitals around the country, including ER facilities in Philadelphia, Las Vegas, Oklahoma City and elsewhere.

The global settlement resolves allegations in seven qui tam lawsuits brought in federal courts around the country, including one filed May 2011 in the U.S. District Court in Nashville: *United States ex rel. Doghramji v. Community Health Systems Inc.* **Grant & Eisenhofer**, along with law firms **Cohen Millstein Sellers & Toll PLLC** and **Barrett, Johnston, Martin & Garrison LLC**, represented three plaintiff-relators in the case, including Dr. James Doghramji, who served as an ER physician at Philadelphia’s Chestnut Hill Hospital.

The lawsuits alleged that CHS engaged in a scheme to increase revenues by inappropriately increasing inpatient admissions to its hospitals from emergency room operations. Investigations revealed that the practice occurred in CHS hospitals in the following states: Tennessee, Alabama, Arizona, Arkansas, California, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Mississippi, New Jersey, New Mexico, North Carolina, Oklahoma, Pennsylvania, South Carolina, Texas and Virginia. Whistleblowers – who included a number of former CHS ER staffers in addition to Dr. Doghramji – claimed that their hospitals routinely admitted patients who should have been released following their ER visits, and for whom the government’s Medicare and Medicaid programs never should have been billed.

Among the allegations in the 165-page relators’ complaint: “To service the high debt accumulated by an aggressive business strategy of leveraged acquisitions, CHS embarked on a scheme to increase inpatient admissions from its ERs absent any corresponding change in the medical needs of the patients... The necessary and intended result of CHS’s wrongful conduct has been a massive number of false and/or fraudulent claims by CHS hospitals across the country...”

In addition to very specific allegations about hospital practices, the Doghramji complaint alleged a statistical analysis that pin-pointed inpatient admission anomalies at over 70 CHS hospitals across the nation.

Dave Garrison, partner at Barrett, Johnston, Martin & Garrison, stated: “Because of these brave individuals, the federal government has reached a historic settlement that will help ensure the integrity

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of Medicare and demonstrate that no company is above the law.”

Grant & Eisenhofer is one of the nation’s leading litigation firms, with a major track record representing whistleblowers in cases involving abuses in the health care and pharmaceutical industries. In the last two years, its False Claims Litigation Group has had unprecedented success representing lead whistleblowers in the government’s \$1.6 billion settlement with Abbott (2012); its \$1.04 billion settlement with GlaxoSmithKline (2012); its \$257 million settlement with Pfizer (Wyeth) (2013); and its \$24.9 million dollar settlement with Amgen (2013).

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