



Department of Justice

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UNITED STATES REACHES \$2.7 MILLION SETTLEMENT WITH WYOMING MEDICAL CENTER OVER ALLEGATIONS OF MEDICARE FRAUD

CHEYENNE, Wyoming — United States Attorney Christopher A. “Kip” Crofts announced today that a settlement has been reached with the Wyoming Medical Center (WMC), requiring the hospital to pay \$2.7 million in damages arising from the alleged submission of fraudulent claims to Medicare.

This settlement stems from a lawsuit originally filed against WMC on October 15, 2007, by Gale Bryden, a former WMC employee who brought the case under the whistleblower (*qui tam*) provisions of the False Claims Act, 31 U.S.C. § 3730(b). Bryden alleged, among other claims, that WMC committed fraud against Medicare by submitting requests for reimbursement that were inconsistent with patient treatment records, by changing the admission status of patients from outpatient to a higher-paying inpatient status without a physician order, and by billing Medicare for unnecessary inpatient admissions.

The United States conducted an extensive investigation and found evidence to support some of the claims. Today’s settlement specifically resolves allegations that WMC submitted higher-paying inpatient reimbursement claims to Medicare for procedures that had been performed in an outpatient setting, submitted inpatient reimbursement claims for hospital stays where there was no record of a physician ordering inpatient-level care, and submitted inpatient reimbursement claims for services provided to patients who did not meet requirements for inpatient admission. The United States also settled allegations that WMC prolonged inpatient hospital admissions without medical necessity in order to qualify patients for Medicare-covered, long-term care at a skilled nursing facility – a practice that caused Medicare to reimburse for services it would not otherwise have been obligated to pay. WMC voluntarily cooperated with investigators in making records and witnesses available, but denies any wrongdoing.

As provided under the whistleblower provisions of the False Claims Act, Bryden will receive a share of the settlement as compensation for filing the case and assisting the United

States in the course of its investigation. The statute provides for this shared recovery as a means of encouraging citizens to report cases of fraud against the government.

“In this era of increasing health care costs and budget constraints, allegations of Medicare fraud and overbilling must be aggressively pursued in order to protect the integrity of the Medicare system,” said U.S. Attorney Kip Crofts. “We appreciate the assistance of citizens like Ms. Bryden who make the effort to bring these allegations to our attention.”

The United States was represented in this matter by Assistant United States Attorney Mark Klaassen of the U.S. Attorney’s Office in Cheyenne, Wyoming. The United States Attorney’s Office also acknowledges the cooperation and teamwork demonstrated by the United States Department of Health and Human Services, Office of the Inspector General in the course of this extended investigation.

“Wyoming Medical Center was charged with unnecessarily admitting patients, intentionally prolonging hospital stays, and mischaracterizing services provided,” said Gerald T. Roy, Special Agent in Charge for the Office of Inspector General of the federal Department of Health and Human Services region including Wyoming. “This settlement emphasizes that corporations allegedly seeking to increase profits at the expense of taxpayers can expect aggressive investigation.”

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