

# Stein Mitchell Muse Cipollone & Beato LLP Announces \$16.5 Million False Claims Act Settlement for Unnecessary Heart Procedures Performed by St. Joseph Health System

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**KENTUCKY HOSPITAL SETTLES ALLEGATIONS THAT PHYSICIANS PERFORMED UNNECESSARY OPEN-HEART PROCEDURES AND MAINTAINED IMPROPER FINANCIAL RELATIONSHIPS WITH PHYSICIANS IN VIOLATION OF KICKBACK AND STARK LAWS**

*Press Release*

**January 28, 2014**

Washington, DC – Stein Mitchell Muse Cipollone & Beato LLP announced today that St. Joseph Health System, Inc. d/b/a St. Joseph London has agreed to pay \$16.5 million to the United States and the Commonwealth of Kentucky to settle allegations by the law firm's clients that St. Joseph London performed unnecessary heart procedures on patients to maximize reimbursement from Medicare and Medicaid.

The settlement today was the result of the extraordinary efforts of three whistleblowers: Michael R. Jones, M.D., Paula W. Hollingsworth, M.D., and Michael G. Rukavina, M.D. As board certified cardiologists practicing in Kentucky, they uncovered the healthcare fraud involving patients who unknowingly received false diagnoses and unnecessary procedures at St. Joseph London. The unnecessary procedures performed on patients include invasive open-heart bypass surgeries, diagnostic cardiac tests and catheterizations, and implanting pacemakers and coronary stents.

With the assistance of counsel Andrew Beato and Jed Wulfekotte of Stein Mitchell Muse Cipollone & Beato LLP, Drs. Jones, Hollingsworth, and Rukavina filed a whistleblower lawsuit under seal in the United States District Court for the Eastern District of Kentucky (Civ. No. 6:11-cv-00081-GFVT) in 2011. The lawsuit alleges that St. Joseph London; cardiologists Sandesh Patil, Ashwini Anand, and Satyabrata Chatterjee; and various clinics and business entities owned and operated by the cardiologists orchestrated a scheme to submit false claims for payment for the unneeded cardiac procedures, which were paid by Medicare and Medicaid in violation of the False Claims Act.

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The United States joined their lawsuit on January 17, 2014. As part of the settlement with St. Joseph London announced today, the United States alleges a facility-wide scheme to perform medically unnecessary procedures on patients and pay kickbacks to the St. Joseph London cardiologists and their interrelated businesses under the pretext of professional service agreements. The Department of Justice also joined in the lawsuit to litigate claims against the non-settling defendant cardiologists and their related entities.

"Drs. Jones, Hollingsworth, and Rukavina performed a great service to Kentucky residents," said Andrew Beato, Chair of the False Claims Act and Whistleblower practice group at Stein Mitchell Muse Cipollone & Beato LLP and counsel for the whistleblowers. "Subjecting a patient to an unnecessary, high-risk heart procedure is unconscionable. The conduct in this case was a serious threat to public health and patient safety. The courageous actions of these whistleblowers helped bring to an end deplorable conduct that hurt patients and their families for no reason other than greed."

In addition to the \$16.5 million civil settlement announced today, defendant Sandesh Patil previously pled guilty to criminal charges for falsely recording the severity of patients' illnesses in order to receive payment for unnecessary heart procedures. Patil is currently serving 30 months in Federal prison. He has been excluded from participation in Medicare, Medicaid, and all other Federal health care programs for a minimum of five years. His license to practice medicine in the Commonwealth has been forfeited.

"The defendants in this case preyed on vulnerable patients. They took advantage of the basic trust we place in doctors and hospitals," said Jed Wulfekotte, a partner at Stein Mitchell Muse Cipollone & Beato LLP and counsel to Drs. Jones, Hollingsworth, and Rukavina. "Fortunately, these doctors stood up for what's right. Their actions should serve as the gold standard for the medical community."

Today's settlement partially resolves a multi-year investigation by numerous government agencies, including the Department of Justice, the United States Attorney's Office for the Eastern District of Kentucky, the Department of Health and Human Services, and the Federal Bureau of Investigation in a continuing commitment to patient safety and quality of care.

"Unnecessary medical procedures are a serious problem that causes as much as \$750 billion in overpayments each year," said Mr. Beato. "Special recognition in this case is owed to Stein Mitchell Muse Cipollone & Beato LLP investigator Evan Ballan for his substantial contribution in exposing a complex healthcare and financial fraud scheme and improving the delivery and quality of care in Kentucky."

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## ABOUT US

Stein Mitchell Muse Cipollone & Beato LLP successfully advocates on behalf of businesses and individuals in whistleblower and complex civil litigation, arbitration and transactional matters, as well as criminal, administrative, and congressional investigations. As a premier nationally-recognized litigation firm based in Washington, DC, our attorneys practice before federal and state courts and agencies nationwide. Our experienced, tested litigators and seasoned investigators work with leading forensic accounting and subject matter experts to deliver winning results for our clients.

## CONTACT US

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