



## NEWS RELEASE

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### **SIMI VALLEY HOSPITAL PAYS \$5.15 MILLION TO RESOLVE CIVIL CASE ALLEGING THAT IT DEFRAUDED MEDICARE**

*LOS ANGELES* – In a “whistleblower” case concluded today with the dismissal of the lawsuit, Simi Valley Hospital has paid the United States \$5.15 million to resolve allegations that the hospital filed false claims with the Medicare program.

The lawsuit, which was originally filed by a former employee of Simi Valley Hospital, alleged that the institution’s Behavioral Medicine Services unit knowingly submitted false claims to Medicare for chemical dependency and psychiatric patient services performed between 1991 and 1997. The United States intervened in the lawsuit negotiated the settlement with Simi Valley Hospital. United States District Judge Valerie Baker Fairbank dismissed the lawsuit this morning in accordance with a settlement agreement that was finalized last month.

The lawsuit was originally filed in October 2001 pursuant to the *qui tam* provisions of the federal False Claims Act. The case was filed by Timothy Field, who formerly was the program director, and then the administrative director, for Simi Valley Hospital’s Behavioral Medicine Services unit, which provided services and care to patients with psychiatric disorders and chemical dependency. The lawsuit alleged, among other things, that the hospital knowingly submitted, or caused the submission of, false claims to government health care programs. Mr. Field’s lawsuit alleged that Simi Valley Hospital improperly billed Medicare and Medi-Cal for:

- psychiatric care, even though the patients were receiving chemical dependency detoxification services;

- psychiatric overnight stays and inpatient services, even though the patients did not meet the criteria for inpatient hospitalization; and
- paying a medical director \$12,000 per month to establish, and to get patients admitted into, a non-existent program for women dealing with post-traumatic stress disorder.

A *qui tam* lawsuit is a civil action, commonly called a whistleblower lawsuit, filed under the federal False Claims Act on behalf of the United States by a private party called a “relator.” A *qui tam* lawsuit, which is initially filed under seal, must allege the submission of false claims that seek payment from the federal government or an entity that receives federal government grants or reimbursements. The United States Department of Justice is given an opportunity to review the allegations to decide whether to intervene and prosecute the case on behalf of the United States.

Simi Valley Hospital paid the settlement last Wednesday without admitting any wrongdoing.

The investigation in this matter was conducted by the U.S. Department of Health and Human Services, Office of Investigations, and the Defense Criminal Investigative Service.

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