



U. S. Department of Justice

News Release

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DUKE UNIVERSITY HEALTH SYSTEM, INC. AGREES TO PAY \$1 MILLION
FOR ALLEGED FALSE CLAIMS SUBMITTED TO
FEDERAL HEALTH CARE PROGRAMS

RALEIGH - United States Attorney for the Eastern District of North Carolina Thomas G. Walker and North Carolina Attorney General Roy Cooper announced jointly that Duke University Health System, Inc. (Duke University Health System) has agreed to pay \$1 million to resolve allegations under the U.S. and North Carolina False Claims Acts that it made false claims in conjunction with certain services provided to beneficiaries of Federal health care programs (Medicare, Medicaid, and TRICARE).

Duke University Health System is a non-profit corporation that operates three hospitals: (1) Duke University Hospital, (2) Duke Regional Hospital (formerly known as Durham Regional Hospital), and (3) Duke Raleigh Hospital (formerly known as Duke Health Raleigh Hospital). Duke University Health System allegedly made false claims to Medicare, Medicaid, and TRICARE by (1) billing the government for services provided by physician assistants (PA's) during coronary artery bypass surgeries when

the PA's were acting as surgical assistants (along with graduate medical trainees), which is not allowed under government regulations and (2) increasing billing by unbundling claims when the unbundling was not appropriate, specifically in connection with cardiac and anesthesia services.

"Allegations of health care fraud will be zealously pursued in North Carolina," said U.S. Attorney Thomas G. Walker. "We encourage our citizens to report potential health care fraud to the appropriate authorities. Duke University Health System was forthcoming with information, and was cooperative in the investigation and resolution."

"Health care fraud like this wastes tax dollars, harms patients who need care, and drives up medical costs for all of us," said North Carolina Attorney General Roy Cooper. "We're working closely with federal officials to root out this kind of fraud in North Carolina and make wrongdoers pay."

"Hospitals that try to make profit by misrepresenting to Medicare and Medicaid about the services they provide will instead pay large settlements to the government for their misdeeds," said Derrick L. Jackson, Special Agent in Charge of the U.S. Department of Health and Human Services, Office of Inspector General, Atlanta Region. "If you suspect Medicare or Medicaid fraud please report it by phone at 1-800-447-8477 (1-800-HHS-TIPS), or E-Mail at HHSTips@oig.hhs.gov."

"The DCIS, in concert with our law enforcement partners, places a high priority on pursuing allegations of fraud involving the Defense Department's health care system, to ensure that America's Warfighters receive top quality health care, while preserving precious taxpayer dollars," said John F. Khin, Special Agent in Charge, Southeast Field Office, Defense Criminal Investigative Service.

The allegations resolved by this settlement arose from a whistleblower lawsuit filed under the False Claims Act by Leslie Johnson, a former employee of Duke PRMO, LLC d/b/a Patient Revenue Management Organization. Duke PRMO is controlled by Duke University Hospital System, and provides billing, collection, and administrative services to Duke University Health System.

This case was handled by the United States Attorney's Office for the Eastern District of North Carolina, the North Carolina Attorney General's Office, Medicaid Investigations Division, the Department of Health and Human Services' Office of Inspector General, and the Department of Defense Criminal Investigative Service. The government's investigation was led by Assistant U.S. Attorney Joshua B. Royster and North Carolina Assistant Attorney General Stacy M. Race.

The lawsuit is captioned United States of America and State of North Carolina ex rel. Leslie Johnson v. Duke University

Health System, Inc, et al., 5:12-CV-822-BO. The claims resolved by the settlement are allegations only, and there has been no determination of liability.

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