

THE UNITED STATES ATTORNEY'S OFFICE  
SOUTH CAROLINA**Charleston Doctors and Medical Clinic Settle Allegations of Fraud**

FOR IMMEDIATE RELEASE

January 14, 2014

Contact Person: Bill Nettles (803) 929-3000

**Dr. Baron S. Nason, Robert T. Hamilton and Nason Medical  
Settle Allegations of Fraud for \$1,021,778.26**

**Columbia, South Carolina** ---- United States Attorney Bill Nettles announced today that the United States Attorney's Office for the District of South Carolina, settled claims of health care fraud with Nason Medical, out of Charleston, South Carolina, and two of its owners, Dr. Baron S. Nason and Robert T. Hamilton. The United States contended that Nason Medical submitted numerous false claims to Medicare, Medicaid and TRICARE. Specifically, the United States contended that Nason Medical:

- 1 Submitted claims to Medicare and TRICARE for services that were provided by physician assistants, as though the services were provided by physicians. Both Medicare and TRICARE pay 85% of the physician fee schedules for services provided by mid-level providers like physician assistants;
- 2 Submitted claims to Medicare, Medicaid and TRICARE for testing that was not medically indicated including laboratory tests and potentially harmful CT scans;
- 3 Submitted claims for radiological services provided by a radiology technician who did not hold a current South Carolina license; and
- 4 Submitted claims for Tetanus Immunoglobulin when Tetanus Toxoid was given which is considerably less expensive;

The investigation began with the filing of whistleblower lawsuits, called *qui tams*, under the False Claims Act. The suits were filed by former employees of Nason Medical. The False Claims Act allows the government to recover actual damages and penalties of three times the actual damages and up to \$11,000 per false claim. This settlement includes repayment of actual damages and penalties.

The False Claims Act allows individuals to file lawsuits with allegations that fraud has been committed against the federal government on behalf of the government. Whistleblowers, referred to as Relators in the False Claims Act, are entitled to share in any recovery received by the government. In this case, the two relators collectively will receive 18% of the funds of the settlement, or \$183,920.08, plus they are entitled to their costs and attorney fees. One whistleblower claimed he was terminated for his actions taken to stop the fraudulent billing. If that is true, he is entitled to recover for his personal damages as well.

Mr. Nettles said, "Health care fraud is a very high priority in this office. We have shifted our office resources by trebling the number of attorneys dedicated to address civil fraud cases. This case is particularly egregious because it involves allegations of profiting by exposing patients to unnecessary radiation in the CT scans."

"Being a health care provider in Federal health care programs such as Medicare and Medicaid is a privilege, not a right. When health care providers order medically unnecessary procedures such as CT scans and submit other improper claims just to boost profits, they threaten both the health of their patients and the financial integrity of the Medicare

and Medicaid programs,” said Derrick L. Jackson, Special Agent in Charge at the U.S. Department of Health and Human Services, Office of Inspector General (OIG). “In an effort to ensure Nason Medical’s egregious billing history is not its future, the company agreed to a rigorous 5-year Corporate Integrity Agreement (CIA) we crafted to hold them accountable.”

Under this CIA, except for X-rays, Nason Medical also agreed to remove all its imaging equipment (including CT scans) and to provide medical services only appropriate for an Urgent Care Center. To that end, Nason Medical may not present or advertise itself out as providing any medical services for emergencies. Nason Medical is required to take down its Emergency signage and to stop advertising for emergency services. And, to ensure its compliance with federal healthcare programs and this CIA, Nason Medical, among other requirements, must engage the services of an independent monitor, chosen by OIG.

This case was investigated by agents from U.S. Health and Human Resources Office of Inspector General, Defense Criminal Investigative Service and the Federal Bureau Investigation.

**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](mailto:HHSTips@oig.hhs.gov).**