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Eastern District of Arkansas

FOR IMMEDIATE RELEASE

Friday, February 27, 2015

Baptist Health Medical Center North Little Rock Enters Into Settlement Agreement Under False Claims Act

LITTLE ROCK – Christopher R. Thyer, United States Attorney for the Eastern District of Arkansas, announced that, the government, acting through the United States Department of Justice and on behalf of the Office of Inspector General (OIG) of the Department of Health and Human Services (HHS) (collectively the "United States"), and Baptist Health Medical Center North Little Rock (BHMC-NLR) entered into a settlement agreement under the False Claims Act. BHMC-NLR agreed to pay \$2,700,000 to resolve its liability.

BHMC-NLR is a 248-bed hospital in North Little Rock, Arkansas. OIG's Office of Audit Services (OAS) referred the preliminary results of an audit finding that BHMC-NLR submitted improper short stay claims to the U.S. Attorney's Office for the Eastern District of Arkansas.

The United States contended that it had certain civil claims against BHMC-NLR arising from claims BHMC-NLR submitted between January 1, 2008 and December 31, 2009 to Medicare for certain "short stay" inpatient patient encounters, which were hospital stays that lasted less than two (2) nights at BHMC-NLR. BHMC-NLR allegedly submitted short stay inpatient claims as a result of: (a) improper orders for inpatient status converted from outpatient status; (b) improper inpatient standing orders for admission without proper involvement of a physician; and, (c) improper orders for inpatient status following scheduled outpatient procedures.

In exchange for a release of its exclusion liability under section 1128(b)(7) of the Social Security Act, BHMC-NLR agreed to enter into a five year corporate integrity agreement (CIA). Among other requirements, the CIA requires both the North Little Rock hospital and its sister hospital in downtown Little Rock, Arkansas to be subject to independent annual claims reviews.

The investigation was conducted by the Office of Inspector General of the Department of Health and Human Services, Office of Audit Services and Office of Investigations.

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