

LONG TERM CARE & SENIOR LIVING BLOG

# St. James Healthcare agrees to pay \$3.85 Million to settle Stark Law, Anti-Kickback Allegations

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The Justice Department announced that St. James Healthcare, a hospital in Butte, Montana, and its parent, Sisters of Charity of Leavenworth Health System, based in Denver, CO, agreed to resolve allegations of violations of the Anti-Kickback Statute, the Stark Law and the False Claims Act by improperly providing financial benefits to physicians and physician groups that made referrals to the hospital.

St. James and Sisters of Charity allegedly provided improper financial incentives to physicians and physician groups involved in a joint venture with St. James to own and operate a medical office building on the St. James campus resulting in increased share values for the physicians and physician groups in the joint venture, below fair market value lease rates for the physicians renting space in the medical office building, incentives of below fair market value lease rates for the land on which the medical office building was constructed, as well as below fair market value arrangements related to shared facilities, use and maintenance.

This settlement illustrates the government's emphasis on combating health care fraud and marks another achievement for the Health Care Fraud Prevention and Enforcement Action Team (HEAT) initiative. The partnership between the DOJ and HHS focuses on efforts to reduce and prevent Medicare and Medicaid financial fraud. Since January 2009, the Justice Department has recovered more than \$17 billion through False Claims Act cases, including over \$12.2 billion recovered in cases involving fraud against federal health care programs.

By Denise Bloch

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