

Report on Medicare Compliance Volume 28, Number 11. March 25, 2019 MedStar Settles FCA Allegations for \$35M Over Stark, Cardiac Stents

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MedStar Health Inc. in Columbia, Maryland, and two of its hospitals agreed to pay \$35 million to settle false claims allegations over kickbacks for patient referrals and medically unnecessary cardiac stents, the Department of Justice (DOJ) and the U.S. Attorney's Office for the District of Maryland said March 21. Two separate whistleblower lawsuits filed by patients and physicians set the case in motion.

The alleged violations grew out of the relationship between the two hospitals—MedStar Union Memorial Hospital and MedStar Franklin Square Medical Center in Baltimore—and MidAtlantic Cardiovascular Associates (MAC) in Pikesville, Maryland.

According to the settlement, MAC was the dominant cardiology group in the Baltimore area in the early and mid-2000s, employing general and interventional cardiologists and cardiovascular surgeons. Some of them had ownership interests in MAC, and its business plan required MAC to refer patients to other MAC physicians.

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