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### Psych Hospital Settles FCA Case for \$2.85M Over Detox Level of Care

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By Nina Youngstrom

A psychiatric hospital in Pennsylvania agreed to pay \$2.85 million to settle false claims allegations that it billed Medicare, Medicaid and the Federal Employees Health Benefits Program for hospital-level detoxification when patients only qualified for residential detoxification or there wasn't documentation to support the higher level of service. As part of the settlement, Eagleville Hospital entered into a five-year corporate integrity agreement, the U.S. Attorney's Office for the Eastern District of Pennsylvania said July 24.

The case was set in motion by Christopher Smith, a former nurse at 308-bed Eagleville Hospital, who filed a whistleblower complaint. He began working at the hospital in 2005 and became an evening shift nursing supervisor in 2015.

Eagleville Hospital provides both hospital-level and nonhospital-level residential treatment for substance use disorders. The definition of inpatient hospital is "the provision of detoxification or treatment and rehabilitation services, or both, 24 hours a day, in a hospital," according to the Pennsylvania Department of Drug and Alcohol Programs. Inpatient nonhospital is "a nonhospital, residential facility, providing one or both of the following services: treatment and rehabilitation or detoxification. The client resides at the facility."

To qualify for Medicaid coverage of hospital-level treatment, which Eagleville called 4A, patients must meet both these criteria: (a) They have a "recent history of heavy and continuous use of substances that have withdrawal syndromes that can be potentially life threatening or cause serious physical harm or cause withdrawal symptoms that are uncomfortable and disruptive enough to make it highly unlikely that the patient would be able to comply with outpatient treatment" and (b) detoxification at a lower level of care would be unsafe, the complaint says.

For Medicaid coverage of nonhospital-level residential treatment, patients have to satisfy the same criteria, only it corresponds to the lower level of care. Medicaid pays more for hospital-level treatment.

According to the complaint, the majority of "walk-in patients" to Eagleville Hospital, almost all of whom have Medicaid, were admitted during the evening shift. Until August 2016, nearly all substance use disorder walk-ins allegedly wound up in the hospital-level program. "The triage conducted by [the hospital] — which begins with intake by an admissions secretary, followed by a nursing assessment, and ends with a physician evaluation and assignment of level of care — systematically funneled substance abuse walk-in patients to [the hospital's] hospital-level unit with few exceptions," the complaint alleged. But only about 25% of the patients qualified for it, and "a patient's medical record" often had no explanation for the hospital-level admission or justification for its medical necessity, the complaint alleged.

### **Hospital: Admissions Were Reviewed Pre-Bill**

The whistleblower contends that Eagleville Hospital's compliance officer at the time was informed about the alleged admission problems and told at least one physician assistant to stop admitting walk-ins to 4A. The compliance officer doesn't work there anymore and couldn't be located. The settlement resolves allegations for

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claims submitted between January 2011 and December 2018.

Eagleview Hospital denied the allegations and didn't admit wrongdoing in the settlement. Attorney Paula Sanders, who represents Eagleview Hospital, says the allegations made no sense because the hospital-level admissions were reviewed and approved by Medicaid before payment. "Every Medicaid fee-for-service patient was discussed with the Pennsylvania Department of Human Services prior to any bill being submitted," says Sanders, with Post & Schell in Harrisburg, Pennsylvania. Admissions were subject to prior authorization, concurrent review or post-stay review. "We concede, however, that the documentation may not have been as robust as it could have been," she says. The hospital settled "to avoid the costs of protracted litigation and also to avoid delays with a major campus renovation project, which they were about to start," Sanders notes.

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