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CEO Settles CMP Case After Hospital FCA Settlement; OIG Cites Individual Accountability

By Nina Youngstrom

Almost two years after a Texas hospital settled a false claims lawsuit with the Department of Justice (DOJ) over free marketing for physicians, its former CEO is digging into her own pocket in connection with the allegations. Corazon Ramirez, M.D., former CEO of Pine Creek Medical Center, agreed to pay $171,480 in a civil monetary penalty (CMP) settlement with the HHS Office of Inspector General, in another example of the government holding an executive accountable in a corporate fraud case.

The government alleged that Pine Creek Medical Center, a physician-owned hospital that serves patients in the Dallas/Fort Worth area, paid kickbacks to physicians in exchange for their surgical referrals, says OIG Senior Attorney Karen Glassman. The kickbacks took the form of free advertisements and billboards for their independent practices, "which is a cost that should have been paid by the physicians, not the hospital," she says. The physicians also were owners of Pine Creek.

The hospital agreed to pay $7.5 million to settle false claims allegations related to the kickbacks, DOJ said in December 2017 ("Texas Hospital Settles FCA Case About Marketing for M.D.s; Kickbacks Were Alleged," *RMC* 26, no. 44) and entered into a five-year corporate integrity agreement with OIG. But that wasn't the end of it as far as OIG was concerned. "We found in the investigation that [the CEO] knew of this conduct and was a leader in supporting the marketing payments going to the physicians and the offices, and that was something we are holding her individually accountable for," Glassman tells *RMC*. The ads that were the focus of the settlement "were not shared ads," she explains. They were ads on billboards and in magazines that "would be the responsibility of the physicians."

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