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Three Ascension Hospitals Pay \$20M in CMP Settlement; One Allegation Is Free APPs

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In a settlement that covers a variety of common hospital arrangements with physicians, Dell Seton Medical Center (DSMC) at The University of Texas, Ascension Seton Medical Center Austin (ASMCA), and Ascension Seton Williamson (ASW) agreed to pay \$20 million to settle a civil monetary penalty (CMP) case. The settlement stems from Ascension's self-disclosure to the HHS Office of Inspector General (OIG).

OIG alleged the arrangements violated Civil Monetary Penalties Law provisions applicable to the Physician Self-Referral Law and Anti-Kickback Statute. For example, ASMCA paid more than fair market value to an Austin physician practice for administrative services provided in connection with a thoracic surgery program, and ASMCA-employed physician assistants provided services free to the practice, according to the allegations in the settlement and on OIG's website. Payments for on-call coverage also figure prominently in the settlement, which was obtained through the Freedom of Information Act.

This is the second time in a year that a hospital has settled a CMP case over free advanced practice providers (APPs), which is considered a big compliance risk if physicians use their services to increase reimbursement. Last year, St. Vincent's Medical Center in Bridgeport, Connecticut, agreed to pay \$747,973.^[1] OIG alleged that from June 1, 2012, through Feb. 8, 2019, the hospital paid remuneration to certain physicians through APP staffing arrangements. The remuneration was "in the form of providing clinical staff without cost, or at a reduced cost, to the physicians to assist them in treating inpatients at the hospital respondent formerly owned and operated until Oct. 1, 2019," the settlement states.

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