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Analytics Firm Files FCA Case Against Providence Health & Services

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Usually, the whistleblower in a False Claims Act lawsuit is an insider—a physician or executive, for example—with firsthand knowledge of what allegedly went wrong inside the organization. In a new case, the whistleblower is a company that used statistical analysis of Medicare data to allege that Providence Health & Services in Renton, Washington, added “unsubstantiated” major complications and comorbidities (MCCs) to increase its MS-DRG reimbursement, egged on by a consultant. The case suggests that the risk from whistleblowers may no longer come only from inside your organization, an attorney says.

The whistleblower is Integra Med Analytics LLC of Austin, Texas. According to its complaint, which was filed Aug. 10 in the U.S. District Court for the Central District of California, Integra’s proprietary analysis of Medicare claims submitted nationally since 2011 allegedly showed “that Providence Health & Services and its affiliated hospitals... routinely used unwarranted Major Complication and Comorbidity secondary codes, which falsely inflated claims submitted to Medicare.”

Providence hired J.A. Thomas and Associates (JATA) for clinical documentation improvement (CDI). “In reality, Relator’s investigation uncovered that JATA’s work was primarily designed to ramp up its clients’ Medicare revenue without regard for accuracy,” the complaint alleged.

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