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FCA Lawsuit Alleges Three Hospitals Were Overpaid PRF 'High-Impact' Money and Kept It

By Nina Youngstrom

The former chief hospital executive of Bayonne Medical Center (BMC) in New Jersey has filed a False Claims Act (FCA) lawsuit alleging the hospital and two others owned by CarePoint Health received Provider Relief Fund (PRF) money for patients who didn't have COVID-19—and failed to return the overpayments. The whistleblower, Vijayant Singh, M.D., alleged he informed the compliance officer that the failure to repay the PRF overpayments was a “severe” risk, but the money stayed put, according to his FCA complaint.^[1] Singh also alleged the hospitals used PRF money for reasons unrelated to the pandemic, including a new weight loss center.

This appears to be the first (unsealed) whistleblower complaint alleging a hospital misused PRF money, although the Department of Justice (DOJ) has cracked down on criminals who have flat-out stolen from COVID-19 relief programs, said former CMS chief legal officer Brenna Jenny. There may be more to come because of the magnitude of the money given to hospitals and other providers to help them weather the pandemic storm—\$178 billion—and because of the complexity of the rules and reporting requirements, said Jenny, with Sidley Austin in Washington, D.C.

The whistleblower is heavily focused on the receipt of “high-impact” PRF payments by the CarePoint hospitals—BMC, Christ Hospital and Hoboken University Medical Center. “This case arises out of the defendant hospitals’ (a) unlawful refusal to return to the federal government over \$50 million in CARES Act Provider Relief Funds, which they had improperly obtained by submitting false claims for reimbursement for diagnosing and treating patients who had not tested positive for COVID-19 and (b) improper use of Provider Relief Funds for purposes unrelated to diagnosing and treating COVID-19 patients,” the complaint alleges.

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