

Report on Medicare Compliance Volume 29, Number 25. July 13, 2020 Oklahoma Hospital, Physicians Settle FCA Case for \$72M; FMV Is Theme

By Nina Youngstrom

In a complicated false claims case that boils down to fair market value allegedly run amok, an Oklahoma hospital, related entities and two physicians agreed to pay \$72.3 million to settle allegations a physician group got sweetheart deals in exchange for referrals, the Department of Justice (DOJ) said July 8.^[1] This is another high-dollar False Claims Act (FCA) result stemming from a case pursued by a whistleblower even though DOJ bowed out.

Oklahoma Center for Orthopaedic & Multi-Specialty Surgery (OCOM), a specialty hospital in Oklahoma City; USP OKC Inc. and USP OKC Manager Inc. (collectively USP), its part owner and management company; Southwest Orthopaedic Specialists PLLC (SOS), an Oklahoma City-based physician group; and two SOS physicians resolved allegations under the federal and Oklahoma Medicaid FCA of “improper relationships” between OCOM and SOS from 2006 through 2018, DOJ said. In exchange for patient referrals from SOS physicians, OCOM and USP allegedly provided remuneration in the form of:

- Free or below fair market value office space, employees and supplies;
- Above fair market value compensation;
- Equity buyback provisions and payments for certain SOS physicians that were above fair market value; and
- Preferential investment opportunities related to OCOM anesthesia services.

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