

Placerville hospital settles \$5.5M fraud case

Marshall Medical Center in Placerville must pay \$5.5 million in fines for defrauding Medicare, Tricare and Medicaid.

The settlement announced June 30 resolves the allegations that the West Slope health care organization submitted false Medicare and Medi-Cal bills. Also named in the suit were Marshall Foundation for Community Health, El Dorado Hematology & Medical Oncology II Inc.; and doctors Lin H. Soe and Tsuong Tsai.

The federal lawsuit was filed in January 2012 by whistleblower Colleen Herren. She alleged that she was fired from her job as an oncology nurse in the clinic when she told management about the defendants' billing practices. Herren will receive a 26 percent share of the \$5.5 million per the whistleblower provisions of the False Claims Act.

The complaint alleged that the defendants performed chemotherapy infusions without having a physician present. One of the oncologists referred cancer patients from the oncology clinic to the hospital for blood transfusions and improperly billed Medicare for observation codes that require visits by the doctor in conjunction with the transfusions and no doctor visited. The clinic's oncology nurses used single dose vials on two subsequent patients and billed Medicare and Medicaid for two dosages.

In the settlement, the defendants do not admit liability for the alleged false conduct.

– Lake Tahoe News staff report