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### TeamHealth Coughs Up \$60 Million to Settle False Claims Act Allegation

In what began as a whistleblower case filed by a hospitalist, TeamHealth Holdings, as success-in-interest to IPC Healthcare Inc., f/k/a IPC The Hospitalists Inc. (IPC), agreed earlier this month to pay \$60 million to settle allegations that IPC violated the False Claims Act by upcoding – that is, by billing Medicare, Medicaid, the Defense Health Agency and the Federal Employees Health Benefits Program for higher and more expensive levels of medical service than were actually performed.

The case was initially filed under the False Claims Act by whistleblower Dr. Bijan Oughatiyan, a physician formerly employed by IPC as a hospitalist.

Allegations in the case included that the hospitalist company trained its employees to disregard the actual level of complexity and to bill at the highest levels, that the systems used to compensate physicians incentivized upcoding, including basing compensation on their individual billing, that dashboard performance tracking systems were used in a manner that essentially ignored the full extent of the upcoding situation, and that IPC exerted corporate pressure on their hospitalists with lower billing levels to “catch up” to their peers.

The \$60 million settlement was the result of a coordinated effort by the U.S. Department of Justice’s Civil Division’s Commercial Litigation Branch, the U.S. Attorney’s Office for the Northern District of Illinois, and HHS-OIG.

In addition to agreeing to pay the \$60 million, TeamHealth entered into a five-year Corporate Integrity Agreement with the OIG covering the company’s hospital medicine division.

As usual in settlements of this nature, TeamHealth’s settlement comes without an admission of wrongdoing by it or its predecessor-in-interest, IPC.

To illustrate the prosecutorial mindset:

“Medical providers who fraudulently seek payments to which they are not entitled will be held accountable,” said U.S. Attorney Zachary T. Fardon for the Northern District of Illinois. “False documentation of treatment is not just flawed patient care; it is illegal.”

“When health care companies boost their profits by misrepresenting the services they bill to taxpayer-funded health care programs, our office will make sure they are held accountable for their deceptive schemes and that they make changes to bill these programs appropriately,” said Special Agent in Charge Lamont Pugh of HHS-OIG.

And, I assume, Dr. Oughatiyan said something like, “Thanks approximately 11.4 million! – which, in dollars, is what his whistleblower bounty comes to.”

#### The Essential Takeaways For You

1. Whistleblower cases invariably come from an insider. How many do you have working for you right now?
2. Just as you may have seen in the national news last week about Wells Fargo Bank having fired several of its high-level employees in connection with the ongoing fallout from the opening of fraudulent customer accounts, unmonitored sales contests can lead to disastrous results.
3. Normal compensation practices in industry, such as paying physicians based on productivity, can be seen by bureaucrats (investigators as well as prosecutors, who get a twice monthly automatic payroll deposit in the exact same amount month after month) as “criminal” behavior.
4. There’s no excuse for upcoding, no matter what.
5. The best practical advice is to audit your medical group’s/business’s compliance with the broadest range of underlying regulations and laws. This isn’t an “add on” – it’s a necessary part of today’s healthcare business climate.

### Wisdom. Applied. 98 - What You Don’t Know About The OIG Fraud Alert On Physician Compensation Can Hurt You

The federal Anti-Kickback Statute (the “AKS”) makes it a crime to pay remuneration to induce a referral of a federal health care program patient.

Feb. 28, 2017

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#### The Impending Death of Hospitals



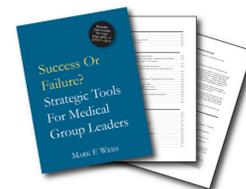
#### COMPLIMENTARY BOOK DOWNLOAD

Having fallen for the fallacy that there’s profit in market share, hospitals have gorged on acquisitions and on employment and alignment of physicians. Many physicians have been willing participants through practice sales and a belief that there’s safety in hospital employment. But it’s becoming evident that physician employment leads to losses and that integrated care delivers neither better care nor lower costs. And now, technology is about to moot many reasons for a hospital’s existence. How can your practice survive and even thrive in the post-hospital world?

The Impending Death of Hospitals is available for purchase in hard copy or in Kindle format on Amazon or you can download a complimentary PDF version here.

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#### Success Or Failure? Strategic Tools For Medical Group Leaders



#### COMPLIMENTARY BOOK DOWNLOAD

Today’s medical groups must confront multiple challenges. The impact of Obamacare. Increasing commoditization of medical services, not just from other physicians and medical professionals, but also from hospitals, investor-owned and disruptive ventures. Yet at the same time, the future healthcare offers medical groups tremendous opportunities.



### All Things Personal

Perseverance.

When I first sat down to write this post, my plan was to use my dog Larry's incessant, yet spectacularly unsuccessful, hunt for squirrels as an analogy for the fact that we should never give up on our attempt to achieve greater goals.

But then he caught one.



Bred as independent thinkers to herd sheep and fight off wolves, Larry (a Briard) herds me and, due to a paucity of wolves in our backyard, set his site on squirrels.

For the most part, the squirrels seemed to be laughing.

Day after day, week after week, for more than a year, Larry tried and tried, yet failed and failed. Yet every time I let him into the yard, he ran like a streak from tree to tree, and along the fence from corner to corner trying to latch onto an evil predator a furry forager.

We humans tend to give up too quickly. We say that we tried it once and failed. We're embarrassed to keep trying because we don't like it when our goals laugh at us like squirrels in the trees.

What does a dog with a squirrel in his mouth know about success that we don't?

### Recently Published Blog Posts

Tuesday, February 28

[Quantum Computing And Medical Group Management](#)

Monday, February 27

[Bastiat, A Teenage Magician, And Medical Group Decision Making](#)

Thursday, February 23

[What A Marshmallow Says About Your Medical Group's Future](#)

Wednesday, February 22

[McDonald's and Delivering Medical Group Value](#)

Tuesday, February 21

[Get Sure That You're Insured](#)

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### Forward This!

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This small book is a collection of essays, of thoughts as tools for your success. Read. Think. Succeed. Repeat.

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### Hospital-Based Medical Group Mergers, Acquisitions & Alternatives



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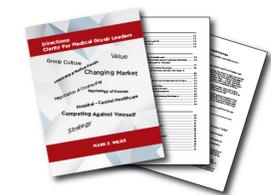
Some days, it seems as if everyone, from anesthesia or vascular surgery practices, is talking about selling their practice to a larger group, to private equity investors, or to a hospital.

The reality is that some practices can be sold, some can't. The reality also is that there are a number of strategic alternatives to a practice sale.

A perfect storm of factors is accelerating the market for hospital-based medical group mergers and acquisitions.

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### Directions: Clarity For Medical Group Leaders



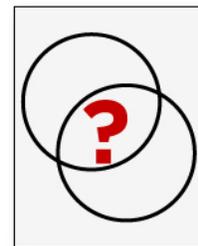
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The healthcare market is changing rapidly, bringing new problems.

How can you find a solution, how can you engage in the development of strategy, and how can you plan your group's future without tools to help clarify your thinking?

Directions is a collection of thoughts as thinking tools, intended to instruct, inform, and even more so, cause you to give pause to instruct and inform yourself.

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### MFW Knowledge Products

If you're an independent learner or need a refresher on current topic, click [here](#) to find out about our growing list of Knowledge Products.

### Recent Interviews and Published Articles

Mark was quoted in the article **ASC Regulatory Areas Developers Need To Pay Attention To** published on N 2016 in The Ambulatory M&A Advisor. Read or download [here](#).

Mark's article **OIG Advisory Opinion Secrets and Strategies** was published in the Summer 2016 volume of [Communicate](#). Read or download [here](#).

Finders keepers, losers weepers. Except in connection with overpayments from Medicare, then it's a violation of federal False Claims Act leading to significant liability unless you repay the overpaid sum within 60 days. Read **Resets the Clock for Return Of Medicare Overpayments** published on [AnesthesiologyNews.com](#) in May 2016. Read or download [here](#).

Mark's article **A New Strategy To Profit From Interventional Radiology**, co-authored with Cecilia Kronawitter, was published on [AuntMinnie.com](#) on May 2016.

## Whenever you're ready, here are 3 ways I can help you and your business:

### 1. Download a copy of the *Success or Failure? Book*

My book *Success or Failure? Strategic Tools For Medical Group Leaders* provides you with a framework for thinking about your success. You can buy it on Amazon or, for free, download a copy at the following link - [Click Here.](#)

### 2. Be a guest on *Wisdom. Applied. Podcast.*

Although most of my podcasts involve me addressing an important point for your success, I'm always looking for guests who'd like to be interviewed about their personal and professional achievements and the lessons learned. [Email me](#) if you're interested in participating.

### 3. If You're Not Yet a Client, Engage Me to Represent You.

If you're not yet a client, and you're interested in increasing your profit and managing your risk of loss, just reply to this message and put "One-on-One" in the subject line. I'll contact you to set up a call or meeting.

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2016. Read or download [here](#).

Three of Mark's blog posts were republished as column entitled **Practice Challenges** in the Spring 2016 of the Pennsylvania Society of Anesthesiologists News [Sentinel](#). Read or download [here](#).

Mark's article **Is There An Interventional Radiology A (irASC) In Your Future?** was published in the April/May volume of [Radiology Business Journal](#). Read or downlo

Mark's article **Impending Death of Hospitals: Will You Anesthesia Practice Survive?** was published in the wi 2016 volume of [Communicate](#). Read or download [here](#).

Mark was quoted in the article **Practice Patterns Chan While Outcomes Remain Steady Among Older Anesthesiologists**, published in the December 2015 is [Anesthesiology News](#). Read or download [here](#).

Mark's article **Anesthesia Group Mergers, Acquisition (Importantly) Alternatives** was published in the summi volume of [Communicate](#). Read or download [here](#).

Mark was quoted in the article **Anesthesiology Acquis Rate Still at Fevered Pace**, published in the July 2015 [Anesthesiology News](#). Read or download [here](#).

Mark's article **Seeking Certainty In Radiology: Merge Acquisitions and Alternatives** was published in June: [imagingbiz.com](http://imagingbiz.com). Read or download [here](#).