



COMPLIANCE CONNECTION Newsletter



SEPTEMBER 2026

This newsletter is prepared monthly by the Midland Health Compliance Department and is intended to provide relevant compliance issues and hot topics.

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Florida Laboratory Agrees to Pay \$9.8M to Resolve False Claims Act Liability Relating to Self-Disclosure of Compensation Arrangements

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FRAUD & ABUSE LAWS

The five most important Federal Fraud and Abuse Laws that apply to physicians are:

- 1. False Claims Act (FCA):** The civil FCA protects the Government from being overcharged or sold shoddy goods or services. It is illegal to submit claims for payment to Medicare or Medicaid that you know or should know are false or fraudulent.
- 2. Anti-Kickback Statute (AKS):** The AKS is a criminal law that prohibits the knowing and willful payment of "remuneration" to induce or reward patient referrals or the generation of business involving any item or service payable by the Federal health care programs (e.g., drugs, supplies, or health care services for Medicare or Medicaid patients).
- 3. Physician Self-Referral Law (Stark law):** The Physician Self-Referral Law, commonly referred to as the Stark law, prohibits physicians from referring patients to receive "designated health services" payable by Medicare or Medicaid from entities with which the physician or an immediate family member has a financial relationship, unless an exception applies.
- 4. Exclusion Statute:** OIG is legally required to exclude from participation in all Federal health care programs individuals and entities convicted of the following types of criminal offenses: (1) Medicare or Medicaid fraud; (2) patient abuse or neglect; (3) felony convictions for other health-care-related fraud, theft, or other financial misconduct; and (4) felony convictions for unlawful manufacture, distribution, prescription, or dispensing of controlled substances.
- 5. Civil Monetary Penalties Law (CMPL):** OIG may seek civil monetary penalties and sometimes exclusion for a wide variety of conduct and is authorized to seek different amounts of penalties and assessments based on the type of violation at issue. Penalties range from \$10,000 to \$50,000 per violation.

Resource:

<https://oig.hhs.gov/compliance/physician-education/fraud-abuse-laws/>



MIDLAND HEALTH

COMPLIANCE TEAM

Michelle Pendergrass, MBA, CHC
Chief Compliance Officer/Privacy Officer
P: 432-221-1972

Michelle.Pendergrass@midlandhealth.org

Regenia Blackmon, Compliance Auditor
Regenia.Blackmon@midlandhealth.org

Melissa Sheley, Senior Compliance Analyst
Melissa.Sheley@midlandhealth.org



Office of Public Affairs
U.S. Department of Justice

Florida Laboratory Agrees to Pay \$9.8M to Resolve False Claims Act Liability Relating to Self-Disclosure of Compensation Arrangements

NeoGenomics Laboratories Inc. (NeoGenomics), located in Florida, has agreed to pay \$9,813,260 to resolve allegations that it violated the False Claims Act by providing below fair market value consulting services to certain health care providers that referred beneficiaries to NeoGenomics for laboratory testing services and by paying variable referral-based compensation to independent consultants to identify health care providers that could refer patients to NeoGenomics. In connection with the settlement, the United States acknowledged that NeoGenomics took significant steps entitling it to credit for cooperating with the government's investigation.

"Federal law prohibits paying remuneration to induce referrals of federal health care services, including by offering services at below fair market value," said Assistant Attorney General Brett A. Shumate of the Justice Department's Civil Division. "We encourage companies to self-disclose improper remuneration and cooperate with our investigations in order to mitigate the consequences of prior conduct."

"Providing services below fair market value to drive referrals — as alleged here — undermines independent medical judgment," said Acting Deputy Inspector General for Investigations Miranda L. Bennett of HHS-OIG. "The Self-Disclosure Protocol remains an important tool for bringing potential violations to light and ensuring they are addressed appropriately."

The United States alleged that, as part of NeoGenomics' Laboratory Clinical Initiative (LCI) program, NeoGenomics provided laboratory consulting services to 28 health care providers seeking to establish in-house flow cytometry and Fluorescence In-Situ Hybridization (FISH) laboratory diagnostic capabilities. The United States contended that NeoGenomics provided certain services for less than fair market value to induce the referral of clinical laboratory tests to NeoGenomics in violation of the Anti-Kickback Statute (AKS) and that the financial relationship and resulting submission of claims violated the Stark Law. The United States further alleged that NeoGenomics entered into agreements with independent consultants that involved payments to those consultants in exchange for identifying potential health care provider customers for NeoGenomics' laboratory services. The United States contends that the payments to the independent consultants to identify potential customers varied in part on the volume or value of referrals to NeoGenomics from those customers. NeoGenomics self-disclosed this conduct to the United States. In addition, NeoGenomics cooperated with the government's investigation and took remedial measures, including ending the consulting agreements at issue, terminating responsible employees, and providing the United States with a thorough self-disclosure and other supplemental information to assist the United States in its investigation.

Read entire article:

<https://www.justice.gov/opa/pr/florida-laboratory-agrees-pay-98m-resolve-false-claims-act-liability-relating-self>

MIDLAND HEALTH Compliance HOTLINE

855•662•SAFE (7233)

ID#: 6874433130

ID# is required to submit a report.

You can make your report or concern ANONYMOUSLY.





Social Media/Networking

Purpose: To provide guidelines for employee participation in social media and/or social networking arenas.

Midland Memorial Hospital (MMH) respects the rights of employees to use Internet-based communications such as social networking websites or similar media including, but not limited to, blogs, social websites, professional networking websites, personal websites, and chat rooms as a means of self-expression. However, the employees' use of such social network media may impact the work environment in numerous areas.

Employees who identify themselves as an MMH employee or discuss matters related to MMH business when communicating via social media must keep in mind that some readers may view them as a spokesperson for Midland Memorial Hospital and therefore could potentially pose legal and/or public relations risks for Midland Memorial Hospital. This policy is meant to provide guidelines to ensure compliance with legal and regulatory restrictions, including those pertaining to privacy and confidentiality.

This policy is applicable to all employees of Midland Memorial Hospital. This policy does not replace other policies that may also be applicable such as Conflict of Interest; Policies on HIPAA (Health Insurance Portability and Accountability Act) and all other policies that govern the use of communication and computer systems, as well as those that protect the confidentiality of Hospital and Patient information, and those which prohibit unlawful discrimination or harassment. The policies listed above are not all inclusive and employees should be mindful of all applicable policies when participating in social networking.

Definitions: Social media is any website or medium (including video) that allows for communication in the open. It includes but is not limited to e-mail, text messaging, instant messaging, blogs, podcasts, discussion forums, personal Web sites, RSS feeds, "Wikis," video or picture sharing sites, interactive sites, and social networks like Facebook, MySpace, Twitter and YouTube.

Employees must keep in mind that if they post information on a social media site that is in violation of hospital policy and/or federal, state or local law, the disclaimer will not shield them from disciplinary action.

[Read entire Policy:](#)

Midland Health PolicyTech #513 – "Social Media/Networking"

Midland Health PolicyTech Instructions

Click this link located on the Midland Health intranet "Policies"

<https://midland.policytech.com/dotNet/noAuth/login.aspx?ReturnUrl=%2f>

the
pulse



MIDLAND HEALTH

CERNER **POLICIES** NEWS RESOURCES DAYFORCE OFFICE365 DEPARTMENT PHONE LIST

IN OTHER COMPLIANCE NEWS

LINK 1

HIPAA Security Rule Update Postponed: More Time Given to Implement Major HIPAA Security Rule Changes

<https://www.hipaajournal.com/hipaa-security-rule-update-postponed/>

LINK 3

Parents Sue Minnesota Hospital to Enforce HIPAA Right of Access for Minor Child's Medical Records

<https://www.hipaajournal.com/parents-sue-minnesota-hospital-hipaa-access-minor-childrens-medical-records/>

LINK 2

Spencer Gifts Pays \$450,000 Penalty to Resolve HIPAA Failures

<https://www.hipaajournal.com/spencer-gifts-hipaa-settlement/>

LINK 4

OCR Fines Four Regulated Entities for HIPAA Violations That Led to Ransomware Attacks

<https://www.hipaajournal.com/ocr-fines-four-regulated-entities-hipaa-violations-ransomware-attacks/>

FALSE CLAIMS ACT (FCA)

Dallas Laboratory, Owners, and Investors Pay \$24M to Resolve COVID-19 Testing Fraud Allegations

Magnolia Diagnostics, a clinical laboratory based in Dallas, Texas, and its owners, John Bains and Kelly Bains, have agreed to pay the United States \$19.2 million to resolve allegations that they violated the False Claims Act by billing Medicare for medically unnecessary respiratory pathogen panel testing performed on seniors receiving COVID-19 tests. Magnolia investors will pay an additional \$4.8 million to resolve common law claims for unjust enrichment and payment by mistake and claims under the Federal Debt Collection Procedures Act, arising from distributions they received from Magnolia.

"The Justice Department is committed to protecting taxpayer-funded programs and holding accountable those who exploit them," said Assistant Attorney General Brett A. Shumate of the Justice Department's Civil Division. "We will pursue not only companies that submit false claims and the owners who direct the misconduct, but also investors who receive and retain its financial benefits — especially when vulnerable Americans are exploited for profit."

"My office is committed to tackling healthcare fraud through the use of all available tools, both through criminal prosecutions and, as here, civil investigations. Too many of our healthcare dollars are lost to fraud, waste, and abuse, but civil settlements like this one help recover valuable healthcare dollars for the American taxpayer," said U.S. Attorney Ryan Raybould for the Northern District of Texas. "Thank you to my attorneys in partnership with Main Justice in focusing our efforts to recover healthcare dollars. We will continue to use all available tools in this important fight."

"Protecting seniors and safeguarding Medicare are core to our mission," said Acting Deputy Inspector General for Investigations Scott J. Lampert of the U.S. Department of Health and Human Services Office of Inspector General. "As alleged, Magnolia Diagnostics showed reckless disregard for medical necessity, beneficiary well-being, and the law — all to boost its profits during a national public health emergency. Today's resolution reflects our determination to uncover this kind of misconduct and hold accountable those who put greed above patient care."

The United States alleges that, beginning in April 2020, John Bains and Kelly Bains, acting through Magnolia, devised a strategy to generate significant revenue by requiring senior living communities seeking COVID-19 testing to also obtain expensive respiratory pathogen panels (RPPs).

[Read entire article:](#)

<https://www.justice.gov/opa/pr/dallas-laboratory-owners-and-investors-pay-24m-resolve-covid-19-testing-fraud-allegations>

SEPTEMBER 2026

Health Observances Calendar

SEP 1-7	National Clinical Nurse Specialist Recognition Week
SEP 6-12	National Suicide Prevention Week
SEP 6-12	Vascular Nurses Week
SEP 12-18	Neonatal Nurses Week
SEP 13-19	National Folic Acid Awareness Week
SEP 14-18	Fungal Disease Awareness Week
SEP 14-18	Malnutrition Awareness Week
SEP 20-26	National Rehabilitation Awareness Week
SEP 21-25	Falls Prevention Awareness Week

<https://b2b.healthgrades.com/insights/blog/2026-health-observances-calendar/>



Do you have a hot topic or interesting COMPLIANCE NEWS to report?

If so, please email an article or news link to:

**Regenia Blackmon
Compliance Auditor**

Regenia.Blackmon@midlandhealth.org