

COMPLIANCE CONNECTION

Newsletter
APRIL 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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Feature Article:

Justice Department Files False Claims Act Complaint Against Priority Hospital Group and Three Long Term Care Hospitals

Midland Health PolicyTech: Policy #2648 HIPAA Section 14: Progressive Discipline Policy (See Page 2)

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

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Justice Department Files False Claims Act Complaint Against Priority Hospital Group and Three Long Term Care Hospitals

On Jan. 16, the United States filed a complaint under the False Claims Act against Priority Hospital Group LLC (PHG), a Louisiana-based hospital management company, three PHG-managed long term care hospitals, and a doctor, alleging False Claims Act violations based on medically unnecessary care and patient referrals in violation of the Anti-Kickback Statute and Stark Law.

Long term care hospitals (LTCHs) provide inpatient hospital services for patients whose medically complex conditions require long hospital stays and programs of care. Medicare reimburses LTCHs based, in part, on a patient's length of stay. According to the United States' complaint, PHG and the LTCH defendants allegedly held patients in the hospital longer than medically necessary in order to increase their Medicare reimbursement. The United States alleges that PHG and the LTCH defendants delayed discharging certain patients, even when their course of treatment had been completed or when they could have been transferred to a lower level of care, because doing so would have resulted in lower payments from Medicare.

The United States' complaint also alleges that one LTCH, Riverside Hospital of Louisiana, entered into medical directorship agreements with a doctor, and provided him other remuneration, to induce him to refer patients to Riverside in violation of the Anti-Kickback Statute and Stark Law.

The Anti-Kickback Statute prohibits offering, paying, soliciting or receiving remuneration of items or services covered by Medicare and other federally funded programs. The Stark Law forbids a hospital from billing Medicare for certain services referred by physicians that have a financial relationship with the hospital. The Anti-Kickback Statute and the Stark Law seek to ensure that medical providers' judgments are not compromised by improper financial incentives and are instead based on the best interests of their patients.

"Medicare patients deserve to receive care based on their clinical needs, not the financial interests of a hospital or doctor," said Assistant Attorney General Brett A. Shumate of the Justice Department's Civil Division. "The Department is committed to pursuing cases where financial interests have improperly influenced the medical decision-making of providers participating in federal health care programs."

"Billing federal healthcare programs for medically unnecessary treatment undermines the viability of those programs and exploits our most vulnerable citizens," said U.S. Attorney Zachary A. Keller for the Western District of Louisiana. "Our Office will continue to combat fraudulent billing by unravelling these schemes and holding the perpetrators accountable."

Read entire article:

<https://www.justice.gov/opa/pr/justice-department-files-false-claims-act-complaint-against-priority-hospital-group-and>

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.



MIDLAND
HEALTH



HIPAA Section 14: Progressive Discipline Policy

Purpose: To provide research and guidelines for addressing the appropriate sanction/corrective action for violation of patient privacy and security by a workforce member.

Related Policies and Procedures:

- HR-522: Sanctions Policy
- Confidentiality of Protected Health Information Policy
- Workforce Member Protected Health Information Agreement

Definitions:

Privacy/Security Violation: Any inappropriate access, use, disclosure, destruction or other misuse of PHI, failure to comply with MIDLAND MEMORIAL HOSPITAL privacy and security policies, or any violation of federal or state privacy and security regulations. A violation may involve, but is not necessarily limited to, verbal communications, paper medical records, electronic health records, or any other medium used to create, maintain, or transmit PHI. A violation of patient privacy through access to electronic patient health information applications and systems is both a Privacy and Security violation.

Protected Health Information (PHI): Individually identifiable health information that is created by or received by MIDLAND MEMORIAL HOSPITAL, including demographic information that identifies an individual, or provides a reasonable basis to believe the information can be used to identify an individual, and relates to:

- Past, present or future physical or mental health or condition of an individual.
- The provision of health care to an individual.
- The past, present, or future payment for the provision of health care to an individual.

Workforce: Under HIPAA, the workforce is defined to include employees, medical staff members, volunteers, trainees, and other persons whose conduct, in the performance of work for a covered entity, is under the direct control of such entity, whether or not they are paid by the covered entity.

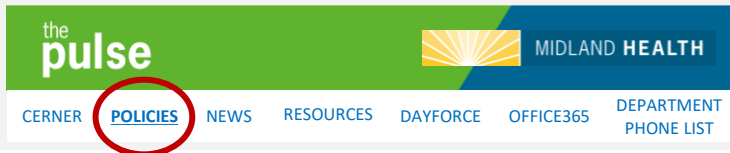
Read entire Policy:

Midland Health PolicyTech #2648 – “HIPAA Section 14: Progressive Discipline Policy”

Midland Health PolicyTech Instructions

Click this link located on the Midland Health intranet “Policies”

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



IN OTHER COMPLIANCE NEWS

LINK 1

Why Do Criminals Target Medical Records?

<https://www.hipaajournal.com/why-do-criminals-target-medical-records/>

LINK 2

Top of the World Ranch Treatment Center Settles Alleged Risk Analysis HIPAA Violation

<https://www.hipaajournal.com/top-of-the-world-treatment-center-hipaa-settlement/>

LINK 3

Why Healthcare Staff Need HIPAA Training for Social Media

<https://www.hipaajournal.com/why-healthcare-staff-need-hipaa-training-for-social-media/>

LINK 4

Data Breach Settlements Agreed by Centrelake Medical Group & Des Moines Orthopedic Surgeons?

<https://www.hipaajournal.com/data-breach-settlements-centrelake-medical-group-des-moines-orthopaedic-surgeons/>

Arizona Surgical Hospital Agrees to Pay \$5.6M to Resolve Alleged False Claims Act Violations

Southwest Orthopedic and Spine Hospital LLC doing business as OASIS Hospital (OASIS), United Surgical Partners International Inc. (USPI), and Dignity/USP Phoenix Surgery Centers LLC, have agreed to pay \$5.6 million to resolve alleged False Claims Act violations relating to improper financial relationships between OASIS and Southwest Orthopedic and Spine Hospital Physicians Group LLC (Southwest Physicians). OASIS is a surgical hospital located in Phoenix, Arizona. USPI disclosed the arrangements at issue to the government following a 2019 internal compliance review and independent investigation.

The settlement resolves allegations that from 2011 through 2018 OASIS made improper financial contributions to Southwest Physicians, a physician group that referred patients to OASIS. Those financial contributions allegedly took the form of interest payments on convertible bonds issued to the physicians' group. The United States alleged that these arrangements violated both the Anti-Kickback Statute (AKS) and the Physician Self-Referral Law, commonly known as the Stark Law. The AKS prohibits the provision of remuneration to induce the referral of services or items that are paid for by a federal health care program. The Stark Law prohibits hospitals from billing for certain services referred by physicians with whom the hospital has a financial relationship, unless that relationship satisfies one of the law's statutory or regulatory exceptions. A claim submitted in violation of the AKS or the Stark Law can also violate the False Claims Act.

"The AKS and Stark Law are designed to ensure that decisions about patient care are not influenced by physicians' personal financial interest," said Assistant Attorney General Brett A. Shumate of the Justice Department's Civil Division. "As this settlement reflects, we will hold accountable those who violate these important safeguards, but we will also give credit when resolving such misconduct to those who fully disclose their mistakes, take appropriate remedial actions, and meaningfully cooperate with the government's investigation."

Read entire article:

<https://www.justice.gov/opa/pr/arizona-surgical-hospital-agrees-pay-56m-resolve-alleged-false-claims-act-violations>

Gastroenterology Practice Agrees to Pay \$4.75M to Settle Allegations of Kickbacks and Unnecessary Medical Testing Services

Atlanta Gastroenterology Associates located in Atlanta, Georgia, has agreed to pay \$4.75 million to resolve allegations that it violated the False Claims Act by receiving kickbacks in exchange for referrals of gastrointestinal pathology services and by performing certain gastrointestinal pathology services that were not medically reasonable or necessary.

The United States alleged that beginning in approximately May 2017, Atlanta Gastroenterology Associates contracted with Advanced Pathology Solutions (APS), a pathology laboratory located in Little Rock, Arkansas, to construct and operate a limited-capacity pathology laboratory in Atlanta Gastroenterology Associates' office. Atlanta Gastroenterology Associates received various benefits from APS in connection with the setup and ongoing operations of the in-house lab, in which histology technicians prepared and stained specimen sample slides and Atlanta Gastroenterology Associates billed Medicare and other insurers for the technical component of those services. In exchange, Atlanta Gastroenterology Associates agreed to exclusively refer patients to APS, which interpreted the slides and billed for the professional component of the services. The United States alleges that the benefits provided by APS to Atlanta Gastroenterology Associates were unlawful remuneration in exchange for patient referrals.

"Healthcare fraud has negative impacts for taxpayers and patients alike," said Assistant Attorney General Brett A. Shumate of the Justice Department's Civil Division. "This settlement reflects the Department's commitment to protecting taxpayer money and ensuring that healthcare services paid for by federal healthcare programs are reasonable, necessary, and free from the influence of kickbacks."

Read entire article:

<https://www.justice.gov/opa/pr/gastroenterology-practice-agrees-pay-475m-settle-allegations-kickbacks-and-unnecessary>



Do you have a hot topic or interesting COMPLIANCE NEWS to report? If so, please email an article or news link to:

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