COMPLIANCE CONNECTION Newsletter

AUGUST 2026

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

IN THIS ISSUE

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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Office of Public Affairs
U.S. Department of Justice

Mobile PET Scan Provider to Pay $8.33 Million to Resolve Allegations of False Claims Act Violations Based on Unlawful Kickbacks to Medical Practices

Modern Nuclear Inc. (MNI), a provider of mobile positron emission tomography (PET) scans headquartered in La Habra, California, has agreed to pay a total of $8,334,350.71, plus additional amounts based on future revenues, to resolve False Claims Act allegations that it paid referring cardiologists excessive fees to supervise PET scans in violation of the Anti-Kickback Statute (AKS). This settlement is based on MNI's ability to pay.

The United States alleged that between Sept. 1, 2016, and Jan. 14, 2025, MNI knowingly submitted false or fraudulent claims to federal health care programs arising from violations of the AKS. Specifically, MNI allegedly paid kickbacks to referring cardiologists in the form of above-fair market value fees, ostensibly for cardiologists to supervise PET scans for the patients they referred to MNI. The United States alleged these fees substantially exceeded fair market value for the cardiologists' services because MNI paid the referring cardiologists for time they spent in their offices caring for other patients or while they were not on site at all, or for additional services beyond supervision that were never or rarely actually provided. MNI purported to rely on an attorney-opinion letter regarding fair market value that the United States alleged was premised on fundamental inaccuracies and that the consultant ultimately withdrew.

"We will diligently pursue and hold accountable healthcare providers that seek patient referrals through illegal kickbacks and other unlawful financial inducements," said Assistant Attorney General Brett A. Shumate, head of the Justice Department's Civil Division. "By rooting out financial relationships between healthcare providers and referring physicians that corrupt the medical decision-making process, we will continue to protect and safeguard taxpayer dollars."

"Paying illegal kickbacks to cardiologists so they refer patients undermines the integrity of federal healthcare programs and needlessly increases costs," said First Assistant U.S. Attorney Bill Essayli for the Central District of California. "Patients deserve care based on their medical need and not on a doctor or company's financial interest. Our office will continue to bring such cases to hold wrongdoers accountable."

"Paying kickbacks to physicians — as alleged in this case — can undermine the integrity of the Medicare program by interfering with impartial medical decision-making," said Special Agent in Charge Robb R. Breeden of the U.S. Department of Health and Human Services Office of Inspector General (HHS-OIG). "This resolution demonstrates our agency's continued commitment to holding Medicare providers accountable and ensuring that medical decisions are driven by patient needs, not illegal incentives."

Read entire article:
https://www.justice.gov/opa/pr/mobile-pet-scan-provider-pay-833-million-resolve-allegations-false-claims-act-violations

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

MIDLAND HEALTH POLICYTECH

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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.

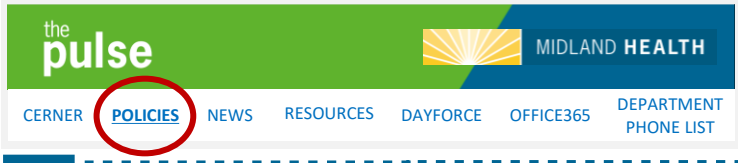
Definitions: Social media is any website or medium (including video) that allows for communication in the open. It includes but is not limited to e-mail, text messaging, instant messaging. blogs, podcasts, discussion forums, personal Web sites, RSS feeds, "Wikis," video or picture sharing sites, interactive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



IN OTHER COMPLIANCE NEWS

LINK 1
Remote Desktop Tools are the Front Door in Healthcare, and Hackers are Walking Through

https://www.hipaajournal.com/remote-desktop-tools-are-the-front-door-in-healthcare-and-hackers-are-walking-through/

LINK 2
Columbus Regional Health; St. Joseph Hospital Settle Pixel Privacy Lawsuits

https://www.hipaajournal.com/columbus-regional-health-st-joseph-hospital-settle-pixel-privacy-lawsuits/

LINK 3
Hillcrest Convalescent Center Settles Class Action Data Breach Litigation

https://www.hipaajournal.com/hillcrest-convalescent-center-data-breach-settlement/

LINK 4
Multi-million-dollar Settlement Agreed to Resolve MCNA Dental Data Breach Lawsuit

https://www.hipaajournal.com/mcna-dental-data-breach-settlement/

FALSE CLAIMS ACT *(FCA)*

Matrix, HealthFair, and HealthFair Founder Agree to Pay $56.5M to Resolve False Claims Act Allegations

Community Care Health Network LLC, doing business as Matrix Medical Network (Matrix), DPN USA, doing business as HealthFair (HealthFair), and Shahriah "James" Ekbatani have agreed to pay a total of $56.5 million to resolve allegations that they violated the False Claims Act (FCA) by causing the submission of false or invalid diagnosis codes to the Medicare Advantage program. Matrix will pay $36.5 million to resolve claims in a qui tam action filed in the Southern District of New York. HealthFair, which was acquired by Matrix, will pay $5 million and Ekbatani will pay $15 million to resolve claims in a qui tam action filed in the Eastern District of Texas.

"When healthcare companies report risk-adjusting diagnoses that are invalid, they siphon money from the Medicare Advantage program," said Assistant Attorney General Brett A. Shumate of the Justice Department's Civil Division. "The Justice Department remains vigilant in pursuing MAOs, downstream entities, and responsible individuals who do not play by the rules."

"Patients should be able to trust that their medical providers are making, documenting, and sending diagnosis information to insurers based on accurate assessment, testing, and what is best for the patient," said U.S. Attorney Jay R. Combs of the Eastern District of Texas. "It is a breach of trust when providers look to make more money by making their patients appear sicker than they are. Submitting unsubstantiated diagnoses increases costs to the Medicare Advantage program. This case emphasizes our District's commitment to justice by pursuing anyone who attempts to steal through misrepresentations."

Read entire article:
https://www.justice.gov/opa/pr/matrix-healthfair-and-healthfair-founder-agree-pay-565m-resolve-false-claims-act-allegations

ANTI-KICKBACK STATUE *(AKS)*

Laboratory Executives, Marketers, and Physician to Pay Over $2M to Settle Allegations of Illegal Kickbacks to Doctors

Former laboratory CEO Susan Hertzberg, of New York, and former laboratory sales executive Matthew Theiler, of Pinehurst, North Carolina, have agreed to pay $1.2 million to resolve False Claims Act litigation with the United States alleging illegal payments to doctors for laboratory referrals in violation of the Anti-Kickback Statute. One doctor — Frederick Brown, of Missouri City, Texas — and six marketers — Thomas Gray Hardaway, of San Antonio, Texas; William Todd Hickman, of Anna, Texas; and Ginny Jacobs, Scott Jacobs, S&G Staffing LLC, and Jacobs Marketing Inc., all of Magnolia, Texas — have agreed to pay an additional $859,055 to settle the United States' laboratory kickback allegations against them in the case.

Read entire article:
https://www.justice.gov/opa/pr/laboratory-executives-marketers-and-physician-pay-over-2m-settle-allegations-illegal

AUGUST 2026
Health Observances Calendar

Days to Note

AUG 10 World Lung Cancer Day
AUG 28 Health Unit Coordinator Appreciation Day
AUG 31 International Overdose Awareness Day

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:

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