

# COMPLIANCE CONNECTION OCTOBER 2025

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

### Feature Article:

#### Washington Children's Hospital Fires 15 Nurses for Alleged HIPAA Violations

Midland Health PolicyTech: Policy #6541  
Code Of Conduct for Medical Staff and Practitioners (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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## Washington Children's Hospital Fires 15 Nurses for Alleged HIPAA Violations

Fifteen nurses at Providence Sacred Heart Medical Center & Children's Hospital in Spokane, Washington, have been terminated for alleged HIPAA violations. The nurses allegedly accessed the medical records of a 12-year-old patient, Sarah June Niyimbona, who committed suicide at the children's hospital on April 13, 2024, when there was no direct treatment relationship.

Starting in early 2024, the patient had been repeatedly admitted to the emergency department of the hospital after several self-harm incidents and suicide attempts. Overnight on April 13, 2024, the patient left her room alone and walked a quarter of a mile to a parking facility on the hospital campus and jumped from a 4th-floor parking garage. She died in the hospital emergency room two hours later. While the patient previously had two sitters, including one sitter monitoring via video, the camera had allegedly been removed from her room weeks earlier, and the sole sitter had been cancelled days before the patient left her room and exited the facility undetected.

The story was covered by InvestigateWest, which spoke to hospital staff under the condition of anonymity due to employment fears. They criticized the hospital for the lack of protection for patients at risk of self-harm and suicide. The hospital had closed its Psychiatric Center for Children and Adolescents six months previously, as it was losing \$2 million per year, and patients who would have been admitted to the psychiatric center were being treated on the general pediatric floor. While two rooms had been created within the pediatric unit specifically for psychiatric patients, an anonymous source at the hospital claimed nurses tasked with caring for those patients had not received any additional training, and the rooms lacked the physical security measures of the psychiatric center that prevented patients from leaving.

Sacred Heart Medical Center is being sued by the child's parents for alleged negligence and medical malpractice, as while she was being monitored round the clock by a sitter assigned to her room and via video surveillance, those measures were no longer present, even though the patient was still a suicide risk. The Washington Department of Health investigated the hospital over the incident and identified deficiencies, including repeated violations of its state safety standards and policies regarding screening and supervision of suicidal patients. Providence Sacred Heart has stated that new security protocols have been implemented, which include suicide risk screening for all patients. After appropriate measures were implemented to address the deficiencies, the Department of Health closed its investigation.

The importance of employee education is emphasized by the U.S. Federal Sentencing Guidelines' seven elements of an effective compliance and ethics program.

Resource:

<https://www.hipaajournal.com/washington-childrens-hospital-fires-15-nurses-for-alleged-hipaa-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.



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## CODE OF CONDUCT FOR MEDICAL STAFF AND PRACTITIONERS

### 1.0 PURPOSE

This policy is to ensure that Midland Memorial Hospital is a safe and constructive workplace for everyone who is striving to provide the highest-quality patient care and to provide a method for reviewing and reporting events of physician behavior that are unexpected or in violation of the medical staff bylaws, regulations, and policies.

- 1.1** It is the expectation of the [Midland Memorial Hospital] board of trustees that all members of the medical staff act in a professional and cooperative manner at the hospital, treating all patients and persons involved in their care with courtesy, dignity, and respect. These expectations are defined by the code of conduct.
- 1.2** Each member of the medical staff (individually, "physician") granted privileges at the hospital shall be required to acknowledge and agree to be bound by the code of conduct at the time of appointment/reappointment to promote and focus awareness of the essential elements of this policy.
- 1.3** This policy sets forth procedures for reviewing and addressing behavioral incidents when a member of the medical staff conducts himself or herself in a manner that is inconsistent with this code of conduct.

### 2.0 DEFINITIONS

Disruptive or inappropriate behavior can be defined as an aberrant style of personal interaction between members of the healthcare team, patients, and/or their family members that interferes with the delivery of excellent patient care. The behavior could take the form of language, personal habits, or physical confrontation. The following is a list of examples and is not intended to be all-inclusive of disruptive or inappropriate behavior.

- Using threatening, intimidating, or abusive language or gestures directed at patients, families, members of the healthcare team, or the hospital
- Making berating, degrading, derogatory, or demeaning comments regarding patients, families, members of the healthcare team, or the hospital

Read entire Policy:

Midland Health PolicyTech #6541 – "Code of Conduct for Medical Staff & Practitioners"

### 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

OCR Publishes New and Updated HIPAA Privacy Rule Guidance

<https://www.hipaajournal.com/ocr-releases-new-updated-faq-hipaa-privacy-rule/>

#### LINK 2

New York Surgery Center Pays \$250K to Settle HIPAA Risk Analysis; Breach Notification Violations

<https://www.hipaajournal.com/syracuse-asc-hipaa-penalty/>

#### LINK 3

Couple Plead Guilty to \$1M Fraud Scheme Involving Stolen Patient Data

<https://www.hipaajournal.com/couple-plead-guilty-bank-wire-fraud-hospital-patient-data/>

#### LINK 4

Morris Hospital Agrees to \$1.36M Class Action Data Breach Settlement

<https://www.hipaajournal.com/morris-hospital-data-breach-settlement/>

## Dermatology Providers Agree to Pay Nearly \$850,000 to Resolve Allegations of False Wound Repair Claims

Forefront Dermatology S.C. and Henghold Surgery Center LLC, have agreed to pay \$847,394 to resolve allegations that they violated the False Claims Act by knowingly causing the submission of falsely coded claims to Medicare for wound repair procedures.

Forefront owns and operates a dermatology practice in Florida doing business as Henghold Dermatology. Henghold Surgery Center is an ambulatory surgery center that closed in 2023, and is wholly owned by William B. Henghold, M.D. Both the practice and surgery center performed wound repair procedures following Mohs micrographic surgery, a method of skin cancer removal.

The United States alleged that Henghold Dermatology and Henghold Surgery Center caused the submission of false claims to Medicare by using inaccurate wound repair billing codes for which Medicare paid more money than it would have paid for the wound repairs that were actually performed — a practice known as "upcoding." Specifically, Henghold Dermatology and Henghold Surgery Center falsely coded linear repairs as if they were flap repairs and falsely coded smaller flap repairs as if they were larger flap repairs.

"Improperly billing Medicare depletes valuable government resources that provide necessary medical care to millions of Americans," said Assistant Attorney General Brett A. Shumate of the Justice Department's Civil Division. "We will hold accountable health care providers who enrich themselves by defrauding federal health care programs."

"This office will continue to aggressively root out fraud, waste, and abuse in our healthcare system by pursuing providers who submit false claims to Medicare," said U.S. Attorney John P. Heekin for the Northern District of Florida. "We will hold those who attempt to defraud the federal government accountable to the fullest extent of the law."

Read entire article:

<https://www.justice.gov/opa/pr/dermatology-providers-agree-pay-nearly-850000-resolve-allegations-false-wound-repair-claims>

## Louisiana Nurse Practitioner Convicted of \$12M Medicare Fraud Scheme

A federal jury convicted a Louisiana nurse practitioner for her role in an over \$12.1 million health care fraud scheme to defraud Medicare by ordering medically unnecessary cancer genetic tests for hundreds of patients she never met or examined.

According to court documents and evidence presented at trial, Scharmaine Lawson Baker, 58, of Richmond, Texas, served as a nurse practitioner and was an enrolled Medicare provider. She held herself out as an expert in Medicare regulations -- authoring publications on medical necessity and patient-provider relationships -- while actively violating those very standards.

"Scharmaine Lawson Baker shamelessly exploited her medical license and the trust of vulnerable patients to enrich herself through a multimillion-dollar genetic testing fraud," said Acting Assistant Attorney General Matthew R. Galeotti of the Justice Department's Criminal Division. "The defendant peddled false promises of free cancer screenings while pocketing kickbacks for medically unnecessary tests. The Criminal Division remains relentless in uncovering and prosecuting fraud against government programs and those who prey on victims for personal gain."

Read entire article:

<https://www.justice.gov/opa/pr/louisiana-nurse-practitioner-convicted-12m-medicare-fraud-scheme>



**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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