

## **LSUHSC pays \$706,678 to settle federal lawsuit** **Shreveport Times | 07.02.09**

By Kelsey McKinney

LSU Health Sciences Center-Shreveport has paid \$706,677.79 to settle allegations that it defrauded Medicare, the federal insurance program, by billing for medical services not provided by teaching physicians between 1995 and 2005.

The settlement was reached June 23 in a civil lawsuit brought by two whistleblowers. Both are former LSUHSC-Shreveport employees. One was fired before the petition was filed in October 2002, the other the following year, their attorney said.

"The federal investigation revealed that (LSUHSC-Shreveport) routinely submitted claims for payment to Medicare Part B on behalf of teaching physicians who claimed to have assisted orthopedic residents during surgery when, in fact, they were not present for the procedure as required," according to a statement released Wednesday by U.S. Attorney Donald Washington's office.

LSUHSC-Shreveport, in the settlement agreement, denies it has any liability relating to the contentions laid out in the federal lawsuit and allegations leveled in the agreement.

Elaine King, LSU Hospital spokeswoman, on Wednesday said she could not comment on ongoing litigation.

In addition to the payment, for three years LSUHSC-Shreveport must maintain its compliance program, report overpayments, notify the government of any ongoing investigations or legal proceedings, file annual reports, submit to audits and retain its records, according to a certification of compliance agreement between the local facility and the inspector general's office in the Health and Human Services Department.

The lawsuit filed by Dr. William Overdyke, a teaching physician in the hospital's orthopedic department, and Susan Belgert Hodnett, the orthopedic head nurse, claims Drs. J.A. Albright and Kalia Sadasivan were "routinely absent from surgical procedures to which they were scheduled to attend. Irrespective of the fact of their physical absence, (the doctors) repeatedly signed billing slips indicating their presence at hundred and possibly thousands of surgical procedures ... for the purpose of billing Medicare and Medicaid."

Obtaining the payments from Medicare requires physicians to specifically describe and certify the scope and extent of their role during surgical procedures performed by residents, the release states.

In the time freed up by not attending these surgeries, Albright and Sadasivan treated "private pay patients," alleges the lawsuit, which names both doctors as defendants.

The hospital "divided the federal reimbursements between the hospital and the teaching physicians."

The lawsuit was filed under the federal False Claims Act, a civil fraud law that allows someone who witnesses fraud to file a claim. It is the government's principal tool in recouping dollars obtained through fraud and misrepresentation, the U.S. attorney's release states.

Of the \$706,677.79 paid by LSUHSC-Shreveport, \$141,335.55 will go to Overdyke and Hodnett as a whistleblower fee, said their attorney, Patrick Jackson.

Overdyke and Hodnett were fired and were the targets of a "campaign of retribution" in which the two were "blackballed" from their professions, Jackson said Wednesday.

Overdyke was "harassed in his employment and eventually terminated by defendant doctors Albright and Sadasivan," the lawsuit states.

Overdyke was fired in July 2001; Hodnett fired in September 2003.

Sadasivan brought unfounded ethics charges against Overdyke in an effort to ruin his reputation in the medical community, the lawsuit alleges. Sadasivan alleged that Overdyke received kickbacks from medical device manufacturers, used his position to increase sales of medical devices from his wife's employer, implanted defective medical products and operated on patients while under the influence of alcohol.

LSUHSC-Shreveport Chancellor/Dean Dr. John C. McDonald launched an investigation into whether Overdyke violated an ethics policy because he "had a spouse who had a company we were buying from," McDonald told The Times in February 2003.

The state Ethics Board fined Overdyke and his wife, a representative of M.D. Medical Inc., \$10,000 each in October 2003 for violating the state ethics code by being involved with a company that does business with the Shreveport teaching hospital. Overdyke's lawyer at that time called the ruling retaliatory and alleged the Ethics Board was being used by LSUHSC.

Hodnett, who was promoted ahead of her peers at LSU Hospital and had a "impeccable" record of service with the hospital, was fired following a deposition she gave that detailed doctors' absence from surgeries they were scheduled to attend, Jackson said. She was given poor reviews by her former employer when she applied for jobs at other hospitals, he said.

"This institution used all its connections to smear these people to cover up the illegal conduct of the institution and its employees."

The federal investigation spurred by Overdyke's and Hodnett's allegations lasted seven years during which there was a gag order, Jackson said. "As their reputations were being ruined, they couldn't even say anything to defend themselves. As of Friday, they've been vindicated."

Jackson noted that neither of his clients received "a single black mark" during the investigation and further explained that his clients never participated in fraudulent activity.

Now Jackson is trying to reach a settlement with the hospital over Overdyke's and Hodnett's claims for lost wages, lost benefits, damage to their reputations and other items allowed by state and federal whistleblower protection laws.

"The new administration at the hospital and at the system level are doing their best to restore the reputation of this once-great institution," Jackson said.

<http://www.shreveporttimes.com/article/20090702/NEWS01/907020317>

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## **LSUHSC-Shreveport to pay \$700K to settle fraud suit**

**The Times-Picayune | 07.02.09**

The Associated Press

(AP) — SHREVEPORT, La. - Federal prosecutors say LSU Health Sciences Center-Shreveport will pay more than \$700,000 to settle allegations that it defrauded Medicare by billing for medical services not provided by teaching physicians between 1995 and 2005.

U.S. Attorney Donald W. Washington says an investigation found that the facility routinely submitted claims for payment to Medicare Part B on behalf of doctors who said they helped orthopedic residents during surgery when in fact they were not present for the procedure as required.

The settlement, announced Wednesday, was filed under the Federal False Claims Act, a civil law that allows the government to recoup money obtained through fraud and misrepresentation. It also allows individuals who witnessed fraud to sue on behalf of the United States and share a portion of any money recovered.

The fraud was exposed by William Overdyke, a former teaching physician in the orthopedic department, and Susan Belgard Hodnett, a registered nurse.

<http://www.nola.com/newsflash/index.ssf?/base/national-31/124652652723060.xml&storylist=louisiana>

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