For Immediate Release
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St. Francis Hospital to Pay $9.5 million in Settlement Under OIG’s Self-Disclosure Protocol

Today Acting Principal Deputy Inspector General Dara Corrigan announced a settlement under the Office of Inspector General’s Provider Self-Disclosure Protocol with Greenville, South Carolina-based St. Francis Hospital, Inc., which agreed to pay nearly $9.5 million to resolve Medicare billing improprieties from 1997 through 1999 in its home health, hospice, and durable medical equipment programs. This is the largest OIG settlement reached solely under OIG’s administrative authorities and one of the largest settled under the Self-Disclosure Protocol.

When purchasing St. Francis in 2000, Bon Secours Health System, Inc. discovered billing and documentation problems at St. Francis and then launched an internal investigation that revealed significant error rates and systematic documentation lapses in its Medicare billings. The hospital brought its findings to OIG under the Self-Disclosure Protocol, which encourages providers to approach the Government voluntarily when they uncover evidence of potential fraud and compliance problems in their organizations.

Under the Self-Disclosure Protocol, OIG outlines how providers should investigate and audit compliance problems and works with disclosing providers to resolve the situation quickly and fairly. Due in part to the fact that St. Francis self-disclosed the billing problems, OIG recovered damages in a much lower amount than the treble damages and penalties the Government is authorized to seek under the Civil Monetary Penalty Law. Furthermore, because this case involved successor liability and because St. Francis voluntarily self-reported its compliance problems, quickly took corrective steps to remedy the problems (including establishing an internal audit program), and implemented a solid compliance program when acquired by Bon Secours, OIG decided St. Francis would not have to enter into a corporate integrity agreement or other compliance measures.

Corrigan said this settlement is a good example of how the Self-Disclosure Protocol benefits both the integrity of Government health care programs and providers who discover and report evidence of potential fraud and overbilling in their organization.

“Taxpayers can be satisfied with this settlement because St. Francis will pay monetary damages to resolve compliance problems that might not have been revealed without the hospital’s self-disclosure. And for its part, St. Francis is now able to continue its work and concentrate on future compliance without concern about lingering liabilities related to this conduct,” she said.

Since 1995, 205 providers have voluntarily self-disclosed fraud and compliance problems to OIG, resulting in over $63.2 million in monetary recoveries.