



**Department of Justice**

Office of Public Affairs

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FOR IMMEDIATE RELEASE

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## **Kentucky Hospital to Pay over \$10 Million to Resolve False Claims Act Allegations**

Jewish Hospital & St. Mary's Healthcare Inc., doing business as Pharmacy Plus and Pharmacy Plus Specialty (collectively, Jewish Hospital), of Louisville, Kentucky, have agreed to pay \$10,101,132 to resolve False Claims Act allegations that they knowingly submitted false claims to the Medicare program, the Department of Justice has announced.

"Healthcare providers will be held accountable when they knowingly submit false claims for prescription drugs that do not meet requirements to establish medical necessity," said Assistant Attorney General Jody Hunt of the Department of Justice's Civil Division. "We take appropriate steps to protect Medicare funds and the integrity of our federal healthcare programs."

The settlement announced today resolves allegations that Jewish Hospital knowingly submitted claims to Medicare for prescription drugs that did not meet Medicare coverage requirements, including the need to obtain the treating physician's signature on the order establishing medical necessity, to confirm that refills were reasonable and necessary, and to document that the medications were in fact delivered. The settlement also resolves allegations that Jewish Hospital submitted claims to Medicare that resulted from improper remuneration provided to Medicare beneficiaries in the form of free blood glucose testing supplies and waiver of co-payments and deductibles for insulin, in violation of the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b), which prohibits offering, paying, soliciting, or receiving remuneration to induce referrals of items or services covered by Medicare, Medicaid, and other federally-funded programs.

"Paying for medically unnecessary drugs robs vital government health programs of precious resources and can violate the law," said Derrick L. Jackson, Special Agent in Charge for the Office of Inspector General of the U.S. Department of Health and Human Services. "We will continue working with our law enforcement partners to protect beneficiaries and taxpayers."

The settlement resolves allegations originally brought in a lawsuit filed by Robert Stone, a pharmacist, under the whistleblower or *qui tam* provision of the False Claims Act, which allows private parties to bring suit on behalf of the government and to share in any recovery. Mr. Stone will receive \$1.85 million.

The settlement was the result of an investigation by the Department of Justice's Civil Division, Commercial Litigation Branch, the U.S. Attorney's Office for the Western District of Kentucky, and the Office of Inspector General at the U.S. Department of Health and Human Services.

The lawsuit is captioned *United States ex rel. Stone v. Jewish Hosp. & St. Mary's Healthcare, Inc., et al.*, Civil Action No. 3:17-294 (W.D. Ky.). The claims resolved by the settlement are allegations only, and there has been no determination of liability.

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