

US reaches settlement with 457 hospitals over cardiac device

October 31 2015, by Michael Biesecker

The Justice Department said Friday that it had reached settlements totaling more than \$250 million with hundreds of hospitals where doctors implanted cardiac devices in violation of Medicare coverage requirements.

The [settlements](#) encompass nearly 500 hospitals in 43 states where cardioverter defibrillators were implanted in Medicare patients too soon after they suffered a heart attack, had [heart bypass surgery](#) or angioplasty.

Medicare sets waiting periods of up to 90 days before implanting the \$25,000 devices, which deliver mild electric shocks to restore a normal heart rhythm. Clinical trials have shown the heart often recovers its own rhythm during that time, making the pricey defibrillators unnecessary.

"The settlements announced today demonstrate the Department of Justice's commitment to protect Medicare dollars and federal health benefits," said Wifredo A. Ferrer, U.S. Attorney for the Southern District of Florida. "Guided by a panel of leading cardiologists and the review of thousands of patients' charts, the extensive investigation behind the settlements was heavily influenced by evidence-based medicine."

A 2011 study led by researchers at Duke University of 111,707 patients that received cardioverter defibrillators found that nearly a quarter received no clinical benefit. Those patients were also shown to develop

significantly more post-procedural complications, including death.

The settlements, said to be among the largest of their kind, are the result of a federal whistleblower lawsuit filed in Florida 7 years ago by cardiac nurse Leatrice Ford Richards and Thomas Schuhmann, a health care reimbursement consultant.

Under the False Claims Act, the whistleblowers will reap about \$38 million from the settlements. A portion of that will go to Bryan Vroon, their Atlanta-based attorney.

Among the large health-care providers involved, Hospital Corporation of America, headquartered in Nashville, Tennessee, agreed to pay \$15.8 million. Ascension Health, of St. Louis, Missouri, settled for \$14.9 million.

The Justice Department says it continues to investigate additional hospitals.

More information: A list of the hospitals involved in the settlement can be found here: www.justice.gov/opa/file/789656/download

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