

\$50 Million Anti-Kickback and Stark Law Settlement

- **Physician Arrangements continue to be the highest enforcement priority for the DOJ and OIG**
 - **“Whistleblower” to receive \$10,000,000**

By Richard Kusserow | September 17, 2020

Wheeling Hospital Inc. (Wheeling), an acute care hospital in West Virginia, entered a [\\$50,000,000 settlement with the Department of Justice \(DOJ\)](#) to resolve allegations that it submitted claims to the Medicare program in violation of the False Claims Act (FCA) that resulted from violations of the Anti-Kickback Statute (AKS) and Physician Self-Referral Law (Stark Law). The case came from a “whistleblower”, or *qui tam*, complaint filed by a former Executive Vice President of Wheeling. The United States alleged that under the direction and control of its prior management, Wheeling systematically paid improper compensation to referring physicians that were based on the volume or value of the physicians’ referrals or were above fair market value, in violation of the AKS and Stark Law. The whistleblower will be receiving \$10,000,000 from the settlement, but there will be no mandate for a standard five-year monitoring agreement.

The settlement comes seven weeks after Wheeling Hospital [announced](#) in a July 21st press release that it was encouraging voluntary staff reductions and other cost-cutting measures due to the loss of nearly \$30 million over the past two years. Wheeling officials offered buyouts and implemented salary reductions to administrative staff and physicians; however, it is unclear how many workers have agreed to the voluntary severance. Over the last fiscal year, the hospital has been running economic losses totaling more than \$18 million in addition to the \$50 million settlement. Just two days after the DOJ announced the settlement, Wheeling [announced](#) that it would become part of the West Virginia University Health System, but will maintain its Catholic identity within the new system.