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Department of Justice

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District of Arizona

FOR IMMEDIATE RELEASE

Wednesday, May 5, 2021

Neurosurgical Associates, LTD and Dignity Health, D/B/A St. Joseph's Hospital, Paid \$10 Million to Resolve False Claims Allegations

PHOENIX, Ariz. – Acting United States Attorney Glenn McCormick announced today that Neurosurgical Associates, LTD and Dignity Health, d/b/a St. Joseph's Hospital, agreed to pay \$10 million to resolve civil allegations that they violated the federal False Claims Act (FCA).

Dignity Health is one of the largest healthcare systems in the United States and does business under the names of hospitals that it owns and operates, including St. Joseph's Hospital in Phoenix, Arizona. Neurosurgical Associates, LTD is an Arizona corporation, located on the campus of St. Joseph's Hospital.

The December 2020 settlement resolves allegations that St. Joseph's Hospital and Neurosurgical Associates, LTD billed Medicare for certain doubly and triply concurrent and overlapping surgeries, in violation of applicable regulations and reimbursement policies.

"We expect health care providers participating in Medicare to bill for their services accurately and honestly," said Acting U.S. Attorney Glenn McCormick. "Proper billing ensures fair compensation and protects Medicare dollars that are much needed for patient care."

"With every Medicare dollar desperately needed, we simply will not tolerate the submission of false claims to this vital health care program," said Timothy B. DeFrancesca, Special Agent in Charge for the Office of Inspector General of the U.S. Department of Health and Human Services. "Working closely with investigative and prosecuting agencies around the country, we will continue to fight for these programs and the people they serve."

The settlement resolves a lawsuit filed in June 2018 by Dr. Bruce P. Kingsley under the *qui tam*, or whistleblower, provisions of the False Claims Act, which allow private citizens to bring civil actions on behalf of the United States and share in any recovery obtained.

Contemporaneous with a settlement of the FCA claims in this matter, Neurosurgical Associates, LTD entered into a corporate integrity agreement (CIA) with the Department of Health and Human Services Office of Inspector General (HHS-OIG). The five-year CIA addresses the conduct at issue and requires, among other things, that Neurological Associates, LTD maintain a compliance program, implement a risk assessment program, and hire an Independent Review Organization to annually review Neurosurgical Associates' Medicare and Medicaid claims.

The settlement is neither an admission of liability by Neurosurgical Associates, LTD, or St. Joseph's Hospital, nor is it a concession by the United States that its claims are not well founded.

The case was handled by the United States Attorney's Office for the District of Arizona. The investigation was conducted by the United States Department of Health and Human Services, Office of Inspector General.

Individuals with information regarding fraud, waste, or abuse related to Medicare or other federal programs should contact the relevant federal agency. A list of agencies and contact information can be found on our office's website, <https://www.justice.gov/usao-az/agency-links>.

CASE NUMBER: CV-17-00692-PHX-JZB
RELEASE NUMBER: 2021-031_Dignity Health Settlement

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Topic(s):

False Claims Act

Component(s):

USAO - Arizona

Press Release Number:

2021-031_Dignity Health Settlement

Updated May 5, 2021