



NEWS RELEASE

André Birotte Jr.

United States Attorney
Central District of California

Thom Mrozek, Public Affairs Officer
(213) 894-6947
thom.mrozek@usdoj.gov
www.usdoj.gov/usao/cac

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SAINT JOHN'S HEALTH CENTER AGREES TO PAY \$5.25 MILLION TO UNITED STATES TO SETTLE CIVIL FRAUD INVESTIGATION

LOS ANGELES – Saint John's Health Center in Santa Monica has agreed to pay the United States \$5.25 million to resolve allegations that the hospital submitted false inflated claims to the Medicare program for "outlier payments" that are designed to compensate hospitals for providing extraordinarily costly care to patients, United States Attorney André Birotte Jr. announced today.

The United States alleged that Saint John's engaged in "turbocharging," meaning that it dramatically increased the charges billed to Medicare for care provided to hospital inpatients far in excess of any increase in the costs associated with that care. By allegedly turbocharging from 1996 through 2003, Saint John's was able to obtain significant amounts of Medicare outlier payments that it was not entitled to receive.

In the settlement agreement finalized today, Saint John's agreed to resolve the allegations without an acknowledgment of wrongdoing. Saint John's has agreed to pay the \$5.25 million settlement by August 30.

This matter was handled by the Civil Fraud Section of the United States Attorney's Office, which received assistance from the Office of the Inspector General for the U.S. Department of Health and Human Services.

CONTACT: Assistant United States Attorney Cathy J. Ostiller
(213) 894-6159