



OIG NEWS

For Immediate Release
December 7, 2005

Office of Inspector General
330 Independence Ave., SW.
Washington, DC 20201
(202) 619-1343

OIG Proposes To Exclude Miami Hospital from Participation in Federal Health Care Programs

Inspector General Daniel R. Levinson announced today that the Office of Inspector General (OIG) of the Department of Health and Human Services (HHS) notified Miami's South Shore Hospital and Medical Center (South Shore) of an impending exclusion from Medicare, Medicaid, and all other Federal health care programs. Today's action resulted from South Shore's material breach of the terms of a corporate integrity agreement (CIA) it negotiated with OIG in 2002, as part of the resolution of a False Claims Act case against the hospital.

South Shore has 30 days to demonstrate that it is in compliance with the obligations of the agreement, that it has cured the breach, or that it is timely pursuing cure of the breach with due diligence. If South Shore fails to do so, OIG may exclude the hospital from participation in Federal health care programs for its material breach. The hospital has the right to request a hearing before an HHS Administrative Law Judge, with a right to further appeal to the HHS Departmental Appeals Board.

"The decision to issue a proposed exclusion letter to South Shore was made after careful consideration of the facts and circumstances regarding the actions of this hospital," said Inspector General Levinson. "In the majority of cases, provider organizations comply with the terms of the CIA. However, South Shore's repeated and egregious failure in this case to abide by the terms of its CIA requires OIG for the first time to seek exclusion for such a violation," Levinson concluded.

Specifically, South Shore repeatedly failed to timely submit complete and accurate implementation and annual reports, and failed to implement all of the Independent Review Organization requirements of the CIA, which called for particular types of cost reporting reviews and engagement procedures. South Shore also failed to notify OIG, as required, of its May 2003 sale to new owners, who are also subject to the terms of the CIA.

---MORE---

Prior to this action, OIG analyzed the potential impact on beneficiaries if South Shore (which is not currently accredited by the Joint Commission on Accreditation of Healthcare Organizations) were to be excluded. OIG determined that numerous accredited hospitals existed within a 10-mile radius of South Shore and therefore beneficiaries would not be adversely impacted by the exclusion.

In its May 9, 2002, False Claims Act settlement, the hospital agreed to pay the United States \$937,000 to settle allegations that it overcharged Medicare by submitting false cost reports for unallowable costs associated with its Guardianship Health Plan. The Settlement Agreement also resolved OIG's Civil Monetary Penalties Law and permissive exclusion authorities. Although South Shore entered into a comprehensive 5-year CIA with OIG, it has a long history of non-compliance, which in November 2003 led to OIG's imposition of a \$50,000 Stipulated Penalty on the hospital for violating the terms of the CIA.

--- # # # ---