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Georgia hospital to pay \$20 million to settle short-stay overbilling allegations

By [Beth Kutscher](#) | April 27, 2015

The Medical Center of Central Georgia agreed to pay the federal government \$20 million to settle allegations that it improperly billed short-stay admissions as inpatient rather than outpatient visits.

The Macon, Ga.-based hospital, the flagship of Navicent Health, is just the latest healthcare provider to settle with the U.S. Justice Department over its admissions practices, which have been the subject of intense scrutiny by the government and its audit contractors.

The investigation into the hospital's Medicare claims covered between January 2004 and August 2008.

The Medical Center stressed in a news release that its admissions decisions involve "complex medical judgment," and the settlement was designed to avoid costly and lengthy litigation with the government.

The settlement also requires the hospital to enter into a corporate integrity agreement with HHS' Office of Inspector

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General. The hospital will conduct additional compliance training with its employees and retain an outside firm to conduct reviews that will be reported to the medical center and the government.

“Integrity is a core value at the Medical Center of Central Georgia,” Ninfa Saunders, the system's CEO, said in the release. “We take compliance very seriously and continue to strengthen our already strong compliance policies and procedures.”

Federal officials have **zeroed in on long observation stays**



(<http://www.modernhealthcare.com/article/20130615/MAGAZINE/306159973>) as one area where they believe they can find cost savings. The **2013 two-midnight rule** (<http://www.modernhealthcare.com/article/20140823/MAGAZINE/308239963/hospitals-hope-for-relief-from-cms-two-midnight-rule>)—which attempts to clarify where the line is between an inpatient and outpatient visit—was supposed to provide guidance to hospitals, but critics contend that it is inflexible and simply amounts to another payment cut. Enforcement of the rule has been delayed several times, most recently by the law enacted this month **repealing Medicare's sustainable growth-rate formula** (<http://www.modernhealthcare.com/article/20150415/NEWS/150419937>) for paying physicians.

In August, publicly traded Community Health Systems **agreed to pay \$97 million** (<http://www.modernhealthcare.com/article/20140804/NEWS/308049939>) to settle allegations that it inappropriately billed short-stay admissions as inpatient visits. Halifax Health in Daytona Beach, Fla., **also is under investigation** (<http://www.modernhealthcare.com/article/20140528/NEWS/305289965>) for its short-stay billing practices.

“This department will continue its work to stop abuses of the nation's healthcare resources and to ensure patients receive the most appropriate care,” Benjamin

Mizer, principal deputy assistant attorney in the Justice Department's Civil Division, said in a **[news release announcing the Georgia settlement](http://www.justice.gov/opa/pr/georgia-hospital-pay-20-million-resolve-false-claims-act-allegations)** (<http://www.justice.gov/opa/pr/georgia-hospital-pay-20-million-resolve-false-claims-act-allegations>).

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