

**UNITED STATES DEPARTMENT OF JUSTICE SETTLES SEVEN
WHISTLEBLOWER LAWSUITS BROUGHT AGAINST
COMMUNITY HEALTH SYSTEMS, INC. FOR OVER \$98 MILLION**

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CHARLOTTE – Monday, August 4, 2014 – The United States Department of Justice (“DOJ”) has settled seven whistleblower lawsuits brought against Community Health Systems, Inc. (“CHS”) for a total of over \$98 million. One of these whistleblower lawsuits was brought by Dr. Thomas L. Mason, M.D., a board-certified emergency physician, who had filed a whistleblower case against CHS in the United States District Court for the Western District of North Carolina. The matter is pending before Judge Graham C. Mullen, and was recently unsealed at the request of the government.

CHS is a Delaware corporation with its principal place of business in Franklin, Tennessee. CHS is publicly traded on the NYSE as “CYH.” In early 2014, CHS acquired Florida-based Health Management Associates, creating one of the largest for-profit hospital companies in the country. According to SEC filings, CHS directly or indirectly owns and operates 206 hospitals in twenty-nine states, and has nearly \$27 billion in assets. The settlement does not include hospitals that CHS acquired from Health Management Associates (HMA) in January 2014.

A host of coordinated prosecutors and law enforcement personnel throughout the United States spearheaded the investigation and prosecution of the seven qui tam or False Claims Act cases, including: the United States Department of Justice in Washington, D.C.; the United States Attorney’s Office for the Western District of North Carolina, which is led by United States Attorney Anne M. Tompkins; the United States Attorney’s Office for the Middle District of Tennessee; the United States Attorney’s Office for the Southern District of Texas; the United States Attorney’s Offices for the Southern and Northern Districts of Illinois; the United States Attorney’s Office for the Northern District of Indiana; and the United States Department of Health & Human Services - Office of the Inspector General (HHS-OIG); the United States Department of Defense and the Federal Bureau of Investigation (FBI).

The Federal Government contends that CHS, from January 1, 2005 through December 31, 2010, knowingly submitted, or caused to be submitted, claims for payment to government healthcare programs for certain inpatient admissions of government healthcare program beneficiaries that were medically unnecessary and should have been billed as outpatient or observation services.

Dr. Mason's whistleblower lawsuit was filed in Federal District Court in Charlotte, North Carolina and is captioned United States, et al. ex rel. Thomas Mason, M.D. v. CHSI, et al., Case No. 3:12-cv-817 (W.D.N.C.).

In all, seven whistleblowers, including Dr. Mason, filed lawsuits against CHS pursuant to the qui tam provisions of the False Claims Act, 31 U.S.C. § 3730(b). The other six cases covered by the settlement include: United States ex rel. Bryant v. CHSI, et al., Case No. CV-H-10-2695 (S.D. Tex.); United States, et al. ex rel. Carnithan v. CHSI, et al., Case No. 11-cv-312 WDS/DGW (S.D. Ill.); United States, et al. ex rel. Cook-Reska v. CHSI, et al., Case No. CV-H-09-1565 (S.D. Tex.); United States ex rel. James Doghramji; Sheree Cook; and Rachel Bryant v. CHSI, et al., Case No. 3-11-cv-00442 (M.D. Tenn.); United States ex rel. Plantz v. CHSI, et al., Case No. 10-C-0959 (N.D. Ill) and United States, et al. ex rel. Reuille v. CHSPC, et al., Case No. 1:09-cv-00007 (N.D. Ind.)

The False Claims Act allows private persons (known as "relators") to file a lawsuit against those businesses and individuals that have directly or indirectly defrauded the federal government. The False Claims Act was enacted by Congress at the request of President Lincoln, who signed it into law on March 2, 1863. The Act was strengthened in 1986, and again with amendments enacted in 2009 and 2010. The Act is the government's primary tool against fraud by its contractors, as evidenced by the recovery of more than \$33 billion since 1986.

The alleged improper conduct by CHS relates to the inpatient admission and treatment of government healthcare program beneficiaries 65 and older who originally presented to the Emergency Department(s) ("ED") of 119 CHS hospitals located throughout the United States. The settlement covered claims paid by Medicare Part A for those patients whose hospital stay was two (2) days or less and who were treated for the following conditions: chronic obstructive pulmonary disease; heart failure & shock; cardiac 4 arrhythmia & conduction disorder; syncope & collapse; chest pain; esophagitis, gastroenterology & misc. digestive disorders; nutritional and miscellaneous metabolic disorders; kidney and urinary tract infections.

The alleged improper conduct covered by the settlement between the Government and CHS also included allegations unrelated to Emergency Room care at Laredo Medical Center ("LMC").

In connection with the Settlement, CHS has denied the allegations of the seven complaints. CHS also denied engaging in any wrongful conduct.

Dr. Mason

Dr. Thomas Mason is board-certified in emergency medicine and is a current and former member of many local and national professional scientific societies. He is a Fellow of the American College of Emergency Physicians (“ACEP”), he serves as a Councillor for ACEP, and as an Oral Board Examiner for the American Board of Emergency Medicine. Dr. Mason is a long-standing member of Mid-Atlantic Emergency Medical Associates, P.A. (MEMA). MEMA is a Charlotte-based group of board-certified emergency physicians.

From 1997 to November 2010, Dr. Mason served as the Medical Director of the Emergency Department at Lake Norman Regional Medical Center, located in Mooresville, North Carolina. During his tenure at Lake Norman, Dr. Mason served on the hospital Medical Executive Committee (“MEC”) for 13 years and was elected Chief of Staff from 2006-2008. Dr. Mason was elected President of the North Carolina College of Emergency Physicians (“NCCEP”) in 2000 and has served on the NCCEP Board of Directors since 1994. In 2006, during his time as ED Director at Lake Norman, Dr. Mason was named Emergency Physician of the year by the NCCEP. After his tenure at HMA, Dr. Mason spent time in and considered taking shifts at CHS’s Springs Memorial in Lancaster, SC, one of the facilities covered by the settlement. He ultimately decided not to pursue work there based on the activities he uncovered.

As alleged in the qui tam lawsuit, CHS defrauded the Medicare and Medicaid Programs for years. Whistleblower Mason stood up for patients in the face of CHS’s profit-centered corporate control over the Emergency Department and exposed this significant fraud.

“We commend the energetic government prosecutors and investigators for their tenacity and commitment to investigating this nationwide scheme. Dr. Mason and his counsel are glad to have assisted in the government’s efforts to halt fraud, waste and abuse,” said lead counsel representing Dr. Mason, Marc S. Raspanti, of the Philadelphia law firm of Pietragallo Gordon Alfano Bosick & Raspanti, LLP. “Dr. Mason demonstrated his dedication to the medical needs of patients before company profits by filing his whistleblower action. Dr. Mason took the risks necessary to come forward and help expose this scheme.”

“The False Claims Act remains a powerful deterrent to fraudulent conduct by health care professionals,” said James F. Wyatt, III. “This settlement sends a clear message that the United States will not tolerate billing for medically unnecessary services.”

“The fraudulent conduct exploited elderly patients seeking emergent care at a time when they were most vulnerable to corporate overreaching,” said Pamela C. Brecht, an attorney with Pietragallo Gordon Alfano Bosick & Raspanti, LLP, who also represents Dr. Mason.

Pietragallo Gordon Alfano Bosick & Raspanti, LLP, is one of the largest and most successful whistleblower law firms in the United States. Lawyers in the nationwide whistleblower practice group of Pietragallo Gordon Alfano Bosick & Raspanti, LLP have served for more than 26 years as lead counsel in whistleblower cases that have recovered more than \$1.8 billion for federal and states taxpayers. Pietragallo Gordon Alfano Bosick & Raspanti lawyers Marc S. Raspanti, Michael A. Morse, and Pamela C. Brecht pursued this case with co-counsel, James F. Wyatt, III and Robert A. Blake, Jr. of the Charlotte, North Carolina law firm of Wyatt & Blake, LLP, on behalf of the American taxpayers.

A copy of the recently unsealed complaint that was filed in United States et. al. ex rel. Mason v. CHS, et. al., No. 3:12CV817 (W.D.N.C. Charlotte) can be found at www.FalseClaimsAct.com



Thomas L. Mason, M.D.