

DOSHI DIAGNOSTIC, ONE OF NATION'S LARGEST MEDICAL IMAGING PROVIDERS, PAYS \$15.5 MILLION TO SETTLE WHISTLEBLOWER LAWSUITS FOR ALLEGEDLY PERFORMING UNNECESSARY IMAGING STUDIES

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PHILADELPHIA, Wednesday, February 26, 2014: Doshi Diagnostic Imaging Services, P.C., and Diagnostic Imaging Group, LLC, one of the largest medical imaging providers in the United States, has agreed to pay \$15.5 million to settle several whistleblower allegations that they violated the federal False Claims Act and similar state statutes by improperly billing the Medicare and Medicaid Programs for diagnostic imaging studies that were unnecessary, never performed, or were not ordered by the treating physician. Doshi Diagnostic also has agreed to pay legal fees to the whistleblower's counsel. Doshi Diagnostic denies liability for the allegations that are part of the settlement.

Out of the \$15.5 million, the federal government will receive approximately \$13.6 million, and the remainder will be divided between the State of New York and the State of New Jersey.

The allegations settled were first asserted by the former Associate Medical Director of Doshi Diagnostic, Mark D. Novick, M.D., in a whistleblower or qui tam law suit filed on September 30, 2009, in the United States District Court for the District of New Jersey. That lawsuit was filed by the law firm of Pietragallo Gordon Alfano Bosick & Raspanti, LLP, and counsel in New York City. Attorney Michael Morse, with Pietragallo Gordon Alfano Bosick & Raspanti, stated "Dr. Novick exhibited tremendous courage in blowing the whistle and helping the United States and States of New York and New Jersey to recover millions of taxpayer dollars."

Attorney Marc S. Raspanti commented: "This case exemplifies the tremendous work protecting taxpayer funds that can be accomplished through the close partnership between whistleblowers, their counsel, and, most importantly, our federal and state government colleagues. The government team, which included Arthur DiDio from the United States Department of Justice, Charles Graybow and Jacob Elberg from the United States Attorney's Offices in New Jersey, Gerri Gold from the New York Attorney General's Office, and Michele Weiner from the New Jersey Attorney General's Office, worked tenaciously, and cooperatively with our client and legal team to end the improper practices alleged in this case and to recover millions of dollars in taxpayer funds."

Doshi Diagnostic, based in New York, currently owns and operates more than 20 free-standing diagnostic imaging centers, located in the New York City area. It also previously owned and operated diagnostic imaging centers in New Jersey and Florida. Doshi Diagnostic performs hundreds of thousands of outpatient radiological and nuclear medicine studies each year and, according to public statements, recorded annual revenues in 2005 of approximately \$130 million.

According to the allegations in the whistleblower Complaint, since at least 2006, Doshi Diagnostic routinely bundled and billed the Medicare and Medicaid Programs for 2 separate

diagnostic imaging procedures (including ultrasounds and x-rays) when only 1 procedure was actually performed. Doshi Diagnostic carried out this scheme most frequently when performing abdominal or trans-rectal ultrasounds, and pelvic x-rays. Instead of billing Medicare and Medicaid for the single ultrasound or x-ray that it actually performed, Doshi Diagnostic repeatedly submitted bills to the government for two separate procedures, thereby costing the government millions of dollars more than Doshi Diagnostic should have been paid.

The Complaint also alleged that Doshi Diagnostic routinely added expensive Color Doppler and Three Dimensional Reconstruction charges onto sonograms, CT scans, and MRIs. According to the Complaint, these charges, which cost Medicare and Medicaid millions of dollars, were medically unnecessary, were not ordered by the treating physicians, and in some cases the Doppler and 3-D reconstruction procedures were never actually performed.

Attorney Douglas Rosenblum added: “If every doctor demonstrated our client’s courage, the Medicare and Medicaid programs would be better protected against fraud, waste, and abuse.”

Case Caption: United States and the States of New York and New Jersey ex rel. Mark D. Novick, M.D. v. Doshi Diagnostic Imaging Services, P.C., Civil Action No. 09-4992 (D.N.J.)

For more information about this case, including a copy of the whistleblower Complaint, or to learn about whistleblower cases under the federal and state False Claims Acts, please visit www.falseclaimsact.com.