

**LANDMARK HEALTHCARE WHISTLEBLOWER CASE
FILED BY COUMANIS & YORK
SETTLED FOR \$24.5 MILLION
BY U.S. DEPT. OF JUSTICE**

MOBILE, Ala. - Coumanis & York, P.C., announces that two medical clinics affiliated with Mobile, Ala.-based Infirmiry Health System Inc., and a physicians group, Diagnostic Physicians Group P.C., have agreed to pay the United States \$24.5 million to resolve a lawsuit filed by the firm under the False Claims Act.

The settlement is the largest healthcare fraud case settlement in the history of the Southern District of Alabama and is one of, if not the largest, healthcare fraud settlements ever involving courts in the State of Alabama. Additionally, it resolved one of the largest healthcare fraud cases pending in the United States as of August, 2014. Attorneys Christ N. Coumanis and David P. York represented the relator (the qui tam plaintiff) who initially filed the lawsuit and who received \$4.41 million as his share of the settlement by the United States.

The qui tam settlement ends a whistleblower lawsuit originally filed under the whistleblower provisions of the False Claims Act in July 2011, by Coumanis & York P.C. client Dr. Christian Heesch, a physician formerly employed by Diagnostic Physicians Group. The provisions of the False Claims Act authorize private parties to sue on behalf of the United States and to receive a portion of any recovery. The act permits the United States to intervene or "take over" the lawsuit, as it did in this case with respect to Dr. Heesch's lawsuit. Nationally, the United States intensely scrutinizes these whistleblower cases and intervenes in fewer than 20% of the cases.

"I would like to thank and congratulate our courageous and conscientious client for bringing justice on behalf of the United States government," said Coumanis. "Without concerned citizens like our client, who literally put his professional reputation on the line, these types of actions that ferret out fraud being committed against our healthcare system and U.S. taxpayers could not be successfully pursued. The United States and all taxpayers owe him an enormous amount of gratitude and respect for his willingness to step forward and pursue this action to a successful conclusion."

York added, "I, too, commend whistleblowers like our client who helped bring this particular case to light and diligently assisted in pursuit of this action. Financial arrangements that compensate physicians for referrals encourage physicians to make decisions based on financial gain rather than patients' needs and therefore have the potential to compromise the medical care and treatment rendered to their patients. Those physicians, physician groups and other medical entities that are operating illegally through these referral arrangements involving taxpayer dollars from federal healthcare programs should be held accountable. With the tireless efforts of our client, the Justice Department attorneys from D.C., and the tireless efforts of the United States Attorney's Office of the Southern District of Alabama, we have held the Infirmiry Health System-affiliated entities accountable through the successful pursuit of this action."

According to the United States's Complaint in Intervention, in 1988, Infirmiry Medical Clinic ("IMC") purchased IMC-Diagnostic and Medical Clinic ("IMC-DMC") from Diagnostic Physicians Group and agreed to pay Diagnostic Physicians Group a share of the revenues the clinics collected, including Medicare revenues from diagnostic imaging and laboratory tests. After IMC acquired the IMC-Northside Clinic in 2008, the physicians practicing there joined Diagnostic Physicians Group and entered into an agreement with the same key terms as the earlier

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agreement with IMC-DMC. The United States contended that these payments were illegal kickbacks and constituted a prohibited financial relationship under the Stark Law, and that in June 2010, an attorney for Diagnostic Physicians Group warned employees of both IMC and Diagnostic Physicians Group that the compensation being paid to the physicians likely violated the law. Nevertheless, the agreements allegedly were neither modified nor terminated for another 18 months.

The United States' Complaint alleged that two Infirmiry Health System affiliated clinics -- IMC-DMC, in Mobile, and IMC-Northside Clinic, in Saraland, Ala. -- had agreements with Diagnostic Physicians Group to pay the group a percentage of Medicare payments for tests and procedures referred by its physicians, in violation of the Physician Self-Referral Law (commonly known as the Stark Law) and the Anti-Kickback Statute. Also named in the lawsuit was Infirmiry Medical Clinics P.C. ("IMC"), an affiliate of Infirmiry Health System that directly owns and operates approximately 30 clinics in the Mobile area, including the two clinics involved in this lawsuit.

The Anti-Kickback Statute and the Stark Law are intended to ensure that a physician's medical judgment is not compromised by improper financial incentives. The Anti-Kickback Statute prohibits offering, paying, soliciting or receiving remuneration to induce referrals of items or services covered by federal health care programs, including Medicare. The Stark Law forbids a hospital or clinic from billing Medicare for certain services referred by physicians who have a financial relationship with the entity.

As part of the settlement, the settling defendants have also agreed to enter into a Corporate Integrity Agreement with the U.S. Department of Health and Human Services Office of Inspector General ("HHS-OIG"), which obligates the defendants to undertake substantial internal compliance reforms and to submit its federal health care program claims to independent review for the next five years.

The investigation and litigation were conducted by the Justice Department's Civil Division, the U.S. Attorney's Office for the Southern District of Alabama, HHS-OIG and the FBI.

"We commend the diligent efforts of the Justice Department attorneys out of Washington, D.C., and the Assistant United States Attorneys of the Southern District who diligently investigated and worked to an outstanding conclusion the claims initially brought by our client, a process that successfully concluded an action that consumed more than three years of our client's life. We are thankful for the United States' efforts in settling this matter," Coumanis said. "The claims settled by this agreement are allegations only, and there has been no determination of liability," he said.

The case is captioned U.S. ex rel. Heesch v. Diagnostic Physicians Group, P.C. et al., Civil Action No. 11-0364-KD-B (S.D. Ala.).

About the Attorneys

CHRIST "Chris" N. COUMANIS is a founding member of the law firm of Coumanis & York, P.C, which maintains a general litigation practice in south Alabama. Mr. Coumanis founded the firm with David P. York, former U.S. Attorney of the Southern District of Alabama. Upon completing Tulane Law School, Mr. Coumanis served five years as an Assistant District Attorney in Mobile County where he tried over 75 jury trials ranging from violent crimes to complex white collar crimes. In 1994, Mr. Coumanis entered private practice with a respected statewide general litigation firm in Mobile and became a member of that firm in 2000 where he practiced until forming Coumanis & York, P.C. Mr. Coumanis first worked with Mr. York as Assistant District Attorney in Mobile County and has known him as a colleague and an adversary for nearly 15 years.

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DAVID P. YORK has been practicing law in courts in Alabama and Georgia since 1990. He is a former U.S. Attorney for the Southern District of Alabama, was a state prosecutor in both Georgia and Alabama, and a civil litigator in Alabama. Mr. York is a 1989 graduate of Samford University's Cumberland School of Law and a 1985 graduate of Birmingham-Southern College. Mr. York is licensed to practice in all courts in Alabama and Georgia.

Coumanis and York, P.C. has offices in Mobile, Daphne, and Montgomery, Alabama. More information on the firm may be found at <http://www.c-ylaw.com>.