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Two Hospitals Pay \$8.37M to Settle Case About Psych Certifications, Treatment Plans

By Nina Youngstrom

In separate settlements with the HHS Office of Inspector General (OIG), two Massachusetts hospitals in the same family have agreed to pay a total of about \$8.37 million to settle allegations that their inpatient psychiatric units didn't comply with Medicare requirements for certifications and treatment plans. The units were managed by a third-party contractor, according to the civil monetary penalty settlements, which were obtained through the Freedom of Information Act.

Steward Holy Family Hospital in Methuen agreed to pay \$6.952 million and Nashoba Valley Medical Center, which is described in the settlement as "a Steward Family Hospital," agreed to pay \$1.424 million. The settlements are otherwise virtually the same. OIG alleged the hospitals billed Medicare for services that were not provided as claimed or were false or fraudulent. Specifically, the hospitals "failed to maintain physician certifications, recertifications, and treatment plans for inpatient psychiatry services in violation of Medicare billing requirements," OIG alleged.

The covered conduct at Steward Holy Family lasted from April 1, 2011, to Aug. 24, 2016, and at Nashoba Valley Medical Center from Dec. 4, 2013, through Aug. 24, 2016. During that time, a third-party contractor managed the inpatient psych units and was responsible for maintaining medical records for patients on the units, the settlement said.

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