

HOPKINS, GOVERNMENT REACH AGREEMENT ON MEDICARE AUDIT

In 1996, the federal government began a series of audits at various medical schools around the country, including Johns Hopkins, to assess compliance with rules governing Medicare billing by faculty physicians when residents also were involved in patient care. This audit program was called the Physicians at Teaching Hospitals (or "PATH") initiative. The review at Hopkins focused on Medicare billings by The Johns Hopkins University in 1994. Today, February 14, 2003, Hopkins and federal authorities agreed to settle the matter for a payment of \$800,000.

This amount is far less than settlements at numerous other academic medical centers, where similar audits in Maryland and Pennsylvania have been resolved through payments ranging from \$8.3 million to \$30 million. By contrast, this settlement payment represents 3 percent of the total Medicare revenues of \$25.8 million received by The Johns Hopkins University in 1994. This is the lowest PATH audit settlement outside of two audits where no repayments were recovered.

Furthermore, in contrast to settlements with other institutions, Hopkins was not required to enter into a corporate integrity agreement with the government, reflecting acceptance of Hopkins' program for complying with Medicare's complex billing regulations.

University officials believe that the favorable results achieved here are attributable to the dedicated efforts of Johns Hopkins physicians to document their care of patients and to master the extraordinarily complex regulations applicable to the Medicare program. Despite six years of investigation, there were no significant findings nor any evidence of fraud on the part of Hopkins in either the Medicare coding or billing, but only errors one might expect in dealing with such a complex billing system. Although there were some points of disagreement between the University and the government concerning the interpretation of the audit results, both parties decided that it made sense to bring this long-running matter to a conclusion.

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