



# PRESS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY  
NORTHERN DISTRICT OF WEST VIRGINIA

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September 12, 2011  
FOR IMMEDIATE RELEASE

***Ohio Valley Hospitals to pay United States  
\$3.8 Million to Resolve Allegations of False Claims  
to Federal Health Care Programs***

WHEELING, WEST VIRGINIA — United States Attorney William J. Ihlenfeld, II, announced that Ohio Valley Health Education & Services Corporation (OVHS&E), Ohio Valley Medical Center (OVMC), and East Ohio Regional Hospital (EORH) have agreed to pay \$3.8 million to the United States to settle allegations that it violated the Stark Act from January of 2005 to August of 2010. The agreement ends an investigation that OVHS&E, OVMC, and EORH submitted false claims for payment to the Medicare program and the Medicaid program.

“The compensation arrangements that OVHS&E, OVMC, and EORH had with local physicians were improper and were for significant sums, and thus the penalty assessed is severe. Illegal agreements like these drive up the cost of healthcare and in the end we all pay for it in the form of higher taxes,” said USA Ihlenfeld. “OVHS&E, OVMC, and EORH were cooperative during the investigation and provided our agents with the information necessary to bring the first phase of the investigation to a conclusion. Phase Two of the case involves pursuing the physicians involved and requiring that they return the prohibited payments and pay the statutory penalties.”

“A physician who believes he is in violation of the Stark Act may come forward and self-report the noncompliance. While there are never any guarantees, self-reporting may lead to less formal and more lenient settlement proceedings depending upon the circumstances involved,” said USA Ihlenfeld.

In addition to making payment of \$3.8 million, OVHS&E, OVMC, and EORH are required to cooperate fully and truthfully with the ongoing investigation by the United States into other individuals and entities who may have also violated federal law.

**PRESS RELEASE**

**Page 2**

**September 12, 2011**

**“When hidden financial deals cause doctors to abandon sound medical decision-making in favor of greed; patients, taxpayers, and government health programs are all losers,” said Nicholas DiGiulio, Special Agent in Charge of the federal Health and Human Services Department, Office of Inspector General's region covering West Virginia. "We will work with our law enforcement partners to expose and prosecute these schemes."**

**The Stark Act is a federal law that prohibits a physician from making a referral to an entity for the furnishing of designated health services for which Medicare or Medicaid payment may be made if the physician has a financial relationship with the entity. A financial relationship includes both ownership and compensation arrangements. If a physician has a financial relationship with an entity that provides designated health services, either the physician will be prohibited from referring to the entity or the financial relationship must meet an exception.**

**OVMC is a large general hospital located in Wheeling, West Virginia. EORH is a smaller general hospital located in Martins Ferry, Ohio. Both hospitals are owned and controlled by OVHS&E, a West Virginia nonprofit corporation in Wheeling.**

**This matter was handled by Assistant United States Attorney Alan G. McGongial, in coordination with the United States Department of Health and Human Services, Office of Inspector General and the Department of Justice Civil Division.**

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