Healthcare Law Blog
Highlighting the Legal Issues Important to the Healthcare Industry
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Quality, Reimbursement and the Medical Staff

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The most difficult issue a hospital can face involves allegations of poor quality coupled with billing fraud. These allegations can be devastating to a hospital's operations and its reputation. It is essential that hospital administration, the medical staff, legal and compliance officers work together quickly and efficiently to verify and address allegations. Hospitals should have at least an informal plan in place to address allegations. This prevents misunderstandings and potential duplication of roles that can result in further allegations that the hospital or medical staff isn't addressing the potential issue as happened in the notorious "Redding" case.

The informal plan should address the questions like whether there will be a dual medical staff and compliance investigations. There may be situations where a dual investigation is warranted or where only one investigation is necessary. For example, if the allegations primarily involve patient harm, the medical staff might step in first and investigate whether a suspension is warranted. Provided the medical staff is doing its best to timely address the patient harm or even patient care issues, there might not be a reason for compliance or legal to get involved. In other situations, the medical staff might decline to investigate a pure reimbursement issue which compliance might investigate with the prior understanding to notify the medical staff of any patient care issues.

Sometimes it's is helpful to bring in outside counsel to start the discussion between the parties and outline the risks of not having a plan in place. Either

way, thinking and planning for these type of allegations is worthwhile and will save time, money and potentially reputation costs down the road.

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