

The Office of Inspector General (OIG), Department of Defense (DoD), announced today that on December 14, 2000, The Healthcare Company, formerly known as Columbia/HCA (HCA), the largest for profit hospital chain in the United States, has agreed to plead guilty to criminal conduct and pay over \$840 million in criminal fines and civil penalties for unlawful billing practices.

The investigation represents the largest Government fraud settlement ever reached in U.S. history. Many of the civil issues resolved in this agreement arose from lawsuit filed under the False Claims Act. Under the agreement, which is still pending court approval, HCA will pay a total of \$745 million to resolve a series of allegations involving the following conduct: outpatient laboratory billing - \$92 million; diagnosis related groups upcoding - \$403 million; home health community education - \$50 million; home health billing - \$106 million; home health management fees - \$90 million. The settlement will be distributed among ten judicial districts in the states of Utah, Georgia, Texas, Pennsylvania and Florida.

In addition to the civil settlement, two subsidiaries of Tennessee-based HCA, Columbia Homecare Group, Incorporated, and Columbia Management Companies, Incorporated, entered into a criminal plea agreement in which they agreed to pay \$95,336,432 in criminal fines and plead guilty to numerous charges involving false statements, conspiracy, cost report fraud, paying and receiving kickbacks, and fraudulent billing with respect to U.S. Government medical cost reimbursement programs. The criminal pleas will be filed in five judicial districts and with court approval consolidated for plea and sentencing in the district courts of the Middle Districts of Florida and the Western District of Texas (El Paso). Within the criminal plea;

1. Columbia Homecare Group, Inc., a subsidiary of Columbia located within the Southern Judicial District of Florida (Miami), was fined \$3.36 million in criminal penalties.
2. Columbia Homecare, Incorporated, located within the Northern Judicial District of Georgia (Atlanta), was fined \$3.36 million in criminal penalties.
3. Columbia Management Companies, Incorporated, a subsidiary of Columbia located within the Middle District of Tennessee (Nashville), was fined \$27.5 million in criminal penalties.

4. Columbia Homecare Group located within the Middle District of Florida (Tampa), was fined \$22.6 million in criminal penalties.

5. Columbia Homecare Group located within the Western District of Texas (El Paso) was fined \$30,116,592 in criminal penalties.

This plea agreement resolves only corporate criminal liability involving TRICARE, Medicare and Medicaid. The Government has the option of investigating and prosecuting any individuals having liability in any ongoing investigation.