

The Office of Inspector General (OIG), Department of Defense (DoD), announced today that on January 25, 2001, Columbia Homecare Group, Inc. and Columbia Management Companies, Inc., subsidiaries of Columbia/HCA, Nashville, TN, pleaded guilty under Rule 20 of the Federal Rules of Criminal Procedure before U.S. District Court Judge Susan Bucklew, U.S. District Court, Tampa, Florida, to separate informations filed in the Middle District of Florida, the Southern District of Florida, the Middle District of Tennessee, and the Northern District of Georgia.

The pleas were the result of a U.S. Department of Justice plea agreement with Columbia/HCA and the United States Attorneys Offices for conspiracy, paying and receiving kickbacks and false statements with respect to U.S. Government medical cost reimbursement programs. According to the agreement with the Department of Justice, Columbia Homecare Group, Inc. and Columbia Management Companies, Inc. also accepted conviction and sentencing at the time the pleas were entered. Coordination of the Rule 20 plea agreement and sentencing in the Middle District of Florida was the culmination of an agreement with the Department of Justice, the U.S. Attorneys Offices, and Columbia/HCA to have a corporate officer appear and plead guilty to the separate offenses.

The informations charged that the two defendant corporations knowingly assisted Columbia/HCA in the preparation and filing of false cost reports with the U.S. Government with respect to home health care and fraudulent billing for upcoding pneumonia treatment. Columbia Homecare Group, Inc. was sentenced to pay criminal fines of \$8,400,000 for the Middle District of Florida; \$3,360,000 for the Southern District of Florida; \$3,360,000 for the Northern District of Georgia for a total of \$15,120,000 for convictions related to the criminal charges for fraudulent home healthcare expenses. Columbia Management Companies, Inc. was sentenced to pay criminal fines totaling \$22,600,000 for convictions related to the criminal charges filed in the Middle District of Florida for filing false hospital cost reports and further sentenced to pay fines totaling \$27,500,000 for the criminal charges filed in the Middle District of Tennessee for filing fraudulent claims for upcoding.

The charges against Columbia Homecare Group, Inc. and Columbia Management Companies, Inc. stem from whistleblower lawsuits (qui tam) filed against the nations largest hospital chain, Columbia/HCA.

The investigation disclosed Columbia Homecare Group, Inc. bought several Florida and Georgia based home health agencies at artificially low prices then paid, other defendants previously sentenced, inflated fees to manage the home healthcare agencies.

The inflated costs were then reimbursed to Columbia/HCA through U.S. Government medical care reimbursement programs all with the knowledge and assistance from officials of the corporation. Additionally, Columbia Management Companies, Inc. prepared and filed false cost reports for several Columbia/HCA owned hospitals and filed false claims by upcoding bills to the Government for pneumonia treatment. Columbia Homecare Group, Inc. and Columbia Management Companies, Inc. have agreed to pay \$745 million to the U.S. Government to settle the civil issues.