

Federal Contracting
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Cape Cod Hospital to Pay \$24.3 Million False Claims Settlement

By Daniel Seiden

Documents

 [DOJ announcement](#)

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- Medicare requirements for procedures allegedly not followed
 - FCA whistleblower to receive about \$4.3 million, DOJ says

Massachusetts-based Cape Cod Hospital will pay the US government \$24.3 million to settle a False Claims Act suit alleging that it improperly billed Medicare for transcatheter aortic valve replacement procedures.

The settlement resolves allegations that the hospital from 2015 to 2022 knowingly submitted claims to Medicare for procedures that didn't comply with requirements concerning examinations for prospective patients, the Justice Department said in a Thursday announcement.

Physician and whistleblower Dr. Richard Zelman, who sued in 2022, will receive about \$4.3 million, the DOJ said.

Gregg Shapiro, counsel for Zelman, said this settlement is the largest of its kind involving a Massachusetts hospital.

"Dr. Zelman is gratified that the government conducted a thorough investigation and that the case has been successfully resolved," Shapiro said.

The settlement contains no allegation or admission that patients who received procedures were harmed, or that Cape Cod Hospital billed Medicare for procedures that weren't performed or weren't clinically indicated, according to a statement from the hospital.

The hospital "cooperated fully, and in good faith, throughout the government's investigation," the statement said.

Cape Cod Hospital received credit under the DOJ's guidelines for taking disclosure, cooperation, and remediation into account in FCA cases, the DOJ said.

The hospital voluntarily produced materials, identified relevant medical records, and admitted that it failed to adhere to Medicare requirements and implemented remedial measures, the announcement said.

Cape Cod Hospital also entered into a five-year corporate integrity agreement with the US Department of Health and Human Services, Office of Inspector General, the DOJ said.

Zelman founded and ran the hospital's TAVR program until his employment ended in 2022, the hospital's statement said.

The hospital in June 2022 informed Zelman that it wouldn't renew or extend his contract, according to Zelman's complaint.

The case is United States ex rel. Zelman v. Cape Cod Hosp., D. Mass., No. 22-cv-11204, settlement 5/16/24.

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