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Legal & Regulatory Issues

Union accuses HCA of widespread Medicare fraud in 45-page report

Service Employees International Union is taking aim at Nashville, Tenn.-based HCA Healthcare, accusing the hospital operator of maximizing profits at the expense of patient care and obtaining more than $1 billion in fraudulent payments from Medicare.

Alia Paavola Wednesday, February 2nd, 2022

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The accusations were released in a 45-page investigative report published this week and are based on the union's analysis of Medicare data and lawsuits filed against HCA.

The Medicare fraud allegations stem from SEIU's analysis of the average emergency department admission rate among HCA hospitals. The union found that HCA hospitals' admission rates exceeded the national average by more than 5 percent from 2014 to 2019. In some states, like Texas and California, the average HCA ED admission rate is 10 percent higher than the state average, the report found.

"After rigorous exploration of this data, we have not found any reasons that we believe could justify this difference — leading to concerns that it is the result of HCA corporate efforts to increase admissions without medical need," SEIU wrote in the report.

SEIU estimates that due to these admission practices, HCA may have obtained $1.8 billion in excess payments from the Medicare program since 2008.

In a statement sent to *Becker's Hosptial Review*, HCA said: "It is disappointing, but not surprising that the SEIU labor union is once again resorting to antics like this to gain publicity. Throughout the pandemic, the SEIU continually has chosen to attack hospitals that are focused on providing the best care to their patients during an unprecedented and challenging time. ... Our hospitals are staffed by physicians, clinicians and nurses who work tirelessly to ensure our patients receive medically necessary care in the appropriate clinical setting. We are confident that our operational processes and procedures are working well and that we are meeting the healthcare needs of our patients and communities. "

The union also argues HCA marks up its prices more than twice the national average and that its staffing levels lag behind the national average by about 30 percent.

SEIU is one of the largest unions in the U.S., representing about 2 million members in healthcare, the public sector and property services.

Read more here.

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