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Tri-City Healthcare District Pays Fine for Self-Reported 2009 Contracting Violation

OCEANSIDE, Calif. – Tri-City Healthcare District, the U.S. Department of Justice and Office of the Inspector General have announced a settlement agreement over medical staff contracting violations that occurred in 2009 and that Tri-City Medical Center voluntarily reported in 2011.

The settlement agreement was reached Jan. 15 and resolves technical violations in physician contracts under the Stark Law as well as a civil claim. As part of the settlement, Tri-City Healthcare District has been assessed \$3,278,464.

Tri-City Medical Center self-disclosed the violations in a letter to the Office of the Inspector General on July 20, 2011 and in a report submitted April 30, 2012.

The hospital executives that oversaw the contracting are no longer affiliated with Tri-City Medical Center and all of the medical center's current physician contracts are in compliance with the Stark Law.

"It is unfortunate to have inherited this long-standing legal issue, but we are pleased to have brought it a successful conclusion," explained CEO Tim Moran. He further stated, "This is a clear indication that we must all strictly adhere to the guidelines set forth by all healthcare governing agencies."

The Settlement Agreement brings to resolution multiple technical violations and a civil claim involving physician contracts wherein certain arrangements exceeded fair market value and were considered not commercially reasonable.

About Tri-City Medical Center

Tri-City Medical Center has served its community for over 50 years and is a 397 bed full service, acute-care hospital in Oceanside, Calif. with a primary care clinic and over 700 physicians practicing in 60 specialties. Its Gold Seal of Approval® from the Joint Commission recognizes its commitment to safe and effective patient care for the residents of the community it serves. It operates the only Level III Neonatal Intensive Care Unit (NICU) in North County as well as an Orthopaedic & Spine Institute, a Cardiovascular Health Institute and a Neuroscience Institute along with the Tri-City Wellness Center in Carlsbad, Calif., recognized as one of the best wellness centers in San Diego County. It also specializes in women's health, robotic surgery, cancer and emergency care. Tri-City Medical Center has received its fifth consecutive "A" rating from the national hospital safety scoring organization, The Leapfrog Group.

For more information about Tri-City Medical Center and Tri-City Healthcare District, please visit www.tricitymed.org.

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