



COUNTY OF ORANGE HEALTH CARE AGENCY

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For Immediate Release

Health Care Agency Statement Regarding Settlement Of Medicare Billing Issues

The County of Orange Board of Supervisors has approved a settlement agreement with the Federal Government resolving claims that the Orange County Health Care Agency (HCA) incorrectly billed the Medicare program between 1990 and 1999. These billing issues did not impact services provided to clients.

Under the agreement terms, the Health Care Agency will repay \$7 million and enter into a three year agreement that specifies other requirements. The County reserved funds in 2001 from HCA budget savings to cover the settlement amount.

Since 2000, the Agency has implemented comprehensive measures to ensure that it accurately bills Medicare for services provided. The Health Care Agency has fully redesigned its clinical documentation and billing processes to ensure that all services provided are properly documented and that billing is submitted in an accurate manner.

Furthermore, in 2000, the Health Care Agency voluntarily established an agencywide compliance program to ensure that the agency follows all local, state, federal and health care industry laws and regulations. This compliance program has served as a model for other county compliance programs in California.

“The terms of the settlement with the Federal Government acknowledge our efforts to implement an agencywide compliance program and to improve our billing process. The three year agreement length is less than the five years usually required in settlements of this type,” said Jeff Nagel, Ph.D., Health Care Agency Chief Compliance Officer. “The Federal Government has also waived the usual requirement for an external auditor to review the elements of the compliance program.”

“The Health Care Agency is pleased to reach a conclusion of this issue, which arose from matters that occurred in the 1990s,” said Julie Poulson, Health Care Agency Director. “Our Compliance Program has become a key element of how our agency operates. It is the right thing to do.”

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