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## US: NC hospital must pay \$1.9M for false billing

RALEIGH, N.C. -- Federal prosecutors say a Raleigh hospital has agreed to pay nearly \$2 million to settle allegations it overbilled Medicare by ordering higher-cost services for patients who only needed outpatient treatment.

The U.S. Justice Department said Monday that between 2004 and 2007 Rex Healthcare billed Medicare for inpatient admissions to increase what it could charge for a spinal surgery procedure.

The hospital's chief medical officer Dr. Linda Butler said the in-patient surgery was accepted practice at the time and only second-guessed in the past couple of years. More than a dozen hospitals in at least nine states have agreed to settlements sparked after a 2008 whistleblower lawsuit in Buffalo, N.Y.

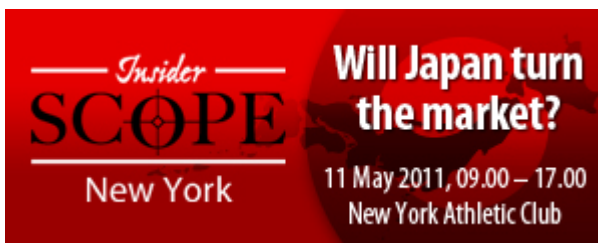
Butler says the hospital settled with the government to limit its costs. She said the hospital wasn't fraudulently billing Medicare.

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