



UPDATE

DOCTOR BEWARE!

An unaccredited sleep diagnostic testing company (SDI Future Health), operating in California and several other states, has been indicted in Nevada for fraud and illegal kickbacks to physicians.

The 136-count indictment named the company and its two top corporate officers (Jack Brunk and Todd Stuart Kaplan) and a list of crimes:

- Health Care Fraud
- Conspiracy to Commit Health Care Fraud
- Violation of Medicare Anti-Kickback Statute
- Conspiracy to Commit Money Laundering
- Attempt to Evade or Defeat Tax

Between 1999 and 2002, Medicare, Blue Cross/Blue Shield and Sierra Health were allegedly billed for unnecessary sleep studies and “cardiac risk assessments” as well as for services not performed. Also, some Las Vegas physicians were induced to accept kickbacks in return for referrals to SDI labs. The kickbacks took various forms including assigning SDI employees (free of charge) to work in a physician’s office, expensive gifts and cash payments under the guise of medical director fees. However, none of the physicians involved were charged specifically in the indictment.

SDI treated more than 15,000 patients during the relevant time period. The estimated loss to the insurance companies and Medicare was about \$22 million.

SDI operates in the SJH cachement area and has a sleep testing lab in the Towne and Country complex. A number of SJH physicians have been approached by SDI seeking referrals.

A U.S. Department of Justice notice of the indictment can be found at www.usdoj.gov/usao/nv/home/pressrelease/march2005/sdi030305.htm

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