

Tenet settles for \$725M

Dallas-based Tenet Healthcare announced an agreement with the U.S. Department of Justice to pay \$725 million over the next four years to settle allegations that it sought inappropriate Medicare outlier payments between 2000 and 2002.

Tenet has agreed to pay \$725 million and waive \$175 million in Medicare payments to settlement allegations the Dallas-based company purposefully inflated charges for inpatient and outpatient care to make them appear more costly than they actually were, subsequently obtaining outlier payments from Medicare it wasn't entitled to receive. Outlier payments are supplemental reimbursements made to hospitals and other healthcare providers for cases where the cost of care is unusually high. The settlement also covers allegations surrounding physician financial arrangements and Medicare-coding issues. See full story.

Tenet also unveiled plans to sell 11 hospitals before mid-2007, including four in New Orleans and including the previously disclosed plan to sell Alvarado Hospital Medical Center in San Diego. It expects to receive roughly \$200 million in sale proceeds by year-end, executives said on the call.