Dear Colleague:

It’s the healthcare scandal that just gets deeper! In the few months since we wrote to you about the The Wall Street Journal breaking the story on alleged Medicare fraud by five of the largest specialty reference labs (A Fast-Growing Medical Lab Tests Anti-Kickback Law, Sept. 8, 2014), a plethora of articles continue to unfold in national and regional publications such as Forbes and the Boston Globe. **Boston Diagnostics Under Investigation**

Law suits have begun to amount against one of the companies, Health Diagnostic Labs (HDL), not only relating to excessive billing, but also waiving co-pays in order to mask the amount of over testing. See Way Beyond Kickbacks, More Serious Conduct Alleged Against Medical Testing Company. [way beyond kickbacks](#)

Insurers are casting a critical eye on specialty labs. Cigna Health and Life Insurance filed an $84 million lawsuit alleging that “HDL ‘lures’ patients to use its services by waiving patient co-pays, co-insurance or deductibles.” Cigna claims that HDL has billed the insurer “exorbitant and unjustified” charges and is involved in “a fraudulent fee-forgiving scheme.”

Although HDL is making the bulk of the news, the investigation into practices by several other labs including Boston Heart and Singulex continues. The Wall Street Journal also reports that the FBI has been showing up in physicians’ offices in California, Texas and Tennessee to examine their laboratory billing practices. The FBI reportedly has a list of approximately 5,000 physicians who have had extensive dealings with the companies under investigation. It is not too difficult to assume that significant penalties—perhaps even jail time—will accompany these investigations. [Contractor Sales Team sues HDL for $205M](#)

As the shenanigans continue to come to light, what we must not lose sight of are the value of these potentially live saving diagnostics for those of us in the field of Prevention. We also must remember that not all specialty labs have participated in these allegedly egregious acts.

We have been working with Cleveland Heart Lab, the premier cardiovascular specialty lab. They have retained their integrity throughout all of this. They do not waive co-pays; nor incent physicians to overttest.

As you consider which companies deserve your business and allegiance, we would encourage you to keep ethics, quality, and honesty at the forefront of your decision-making process.


