



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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For Immediate Release

Friday, Nov. 7, 2003

Grassley Seeks Government Investigation of Second Tenet Hospital

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, today asked the federal Health and Human Services Department Office of Inspector General to investigate whether a second Tenet Healthcare Corp. hospital might have performed unnecessary cardiac procedures and surgeries and billed the federal government for them.

The federal Justice Department obtained a record-setting recovery against Tenet over alleged unnecessary cardiac procedures and surgeries performed at Tenet's Redding Medical Center. Blue Cross of California reports a significant number of unnecessary cardiac procedures and surgeries at both Redding Medical Center and Tenet's Doctors Medical Center in Modesto. Blue Cross of California took the unusual step of referring some of its members to alternative hospitals.

Grassley's letter to the federal Health and Human Services Department Office of Inspector General regarding Tenet's Doctors Medical Center in Modesto follows.

November 7, 2003

VIA FACSIMILE: (202) 296-8512

ORIGINAL BY U.S. MAIL

Ms. Dara Corrigan
Acting Principal Deputy Inspector General
Department of Health & Human Services
330 Independence Avenue, SW
Washington, D.C. 20201

Dear Ms. Corrigan:

By letter dated, October 31, 2003, Blue Cross of California (BCC/Blue Cross), notified Tenet Healthcare Corporation (Tenet) that it was referring some of its members to alternative participating hospitals for any medically necessary coronary bypass procedures. The notice states that, "[n]umerous improper, medically unnecessary Coronary Artery Bypass Graft ("CABG") procedures have been performed on BCC Members and improperly billed to BCC." On Saturday, November 1, 2003, *The Los Angeles Times (The Times)* reported that BCC had data suggesting that doctors at Tenet's hospitals in Redding and Modesto performed unnecessary heart surgeries. Specifically, *The Times* quoted Dr. Woodrow Myers, chief medical officer for BCC saying that, "a review by independent cardiologists of 52 bypass operations at those hospitals had concluded that 85% of the surgeries at Redding had been unnecessary and that 59% at Tenet's Doctors Medical Center in Modesto had been unwarranted." The numbers cited by Dr. Myers, if accurate, are truly shocking.

As Chairman of the Senate Finance Committee (Committee), I request that the Department of Health & Human Services (HHS), Office of Inspector General (OIG) investigate whether

unnecessary cardiac procedures and surgeries, paid for under federal health care programs, may have been performed at Doctors Medical Center in Modesto. The unprecedented action taken by Blue Cross on behalf of its members appears, in and of itself, to be cause for alarm. In light of the Department of Justice's announcement on August 6, 2003, that it had obtained a record-setting \$54,000,000 recovery against Tenet based on alleged unnecessary cardiac procedures and surgeries performed at Redding Medical Center, it strikes me as matter of great urgency. Attached for your information is the Blue Cross letter and press release. For your information, by letter dated, November 3, 2003, the Committee requested that Blue Cross share its findings and data related to medically unnecessary coronary bypass procedures. The Committee requests that HHS-OIG forward its findings for review by Committee oversight staff.

Please have your staff coordinate with my Committee staff to discuss this matter fully. We would appreciate receiving a response before November 14, 2003. Please do not hesitate to contact me if you have any concerns.

Sincerely,

Charles E. Grassley
Chairman