

UNITED STATES SENATOR • IOWA  
**CHUCK GRASSLEY**

RANKING MEMBER • SENATE COMMITTEE ON FINANCE

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Contact: Jill Kozeny, 202/224-1308  
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MEMORANDUM

To: Reporters and Editors  
Fr: Jill Gerber, 202/224-6522  
Re: letter on the False Claims Act, Columbia/HCA case  
Da: Tuesday, Nov. 19, 2002

Sen. Chuck Grassley, incoming chairman of the Committee on Finance, is the Senate author of the 1986 whistleblower amendments strengthening the False Claims Act. He has written letters to federal health agency officials three times this year (in March, in June and in October) to try to determine whether any of those officials are impeding the full application of the False Claims Act, both generally and, more specifically, in the Columbia/HCA health fraud case.

Grassley's concern came after Tom Scully, administrator of the Centers for Medicare and Medicaid Services, said at a Senate Finance Committee hearing in March that there are significant differences of legal opinion between the Centers for Medicare and Medicaid Services and the Justice Department regarding the application of the False Claims Act to violations of the federal anti-kickback law. The government's wide-ranging case against Columbia/HCA includes allegations that the company engaged in unlawful kickback schemes. Grassley made the following comment on the situation.

"The responses I received in March and in June were largely incomplete and therefore, unsatisfactory. Independently, I've received further allegations from whistleblowers that have heightened my concern that certain government health officials might be seeking to water down False Claims Act enforcement policy in cases where health care providers engage in kickback schemes.

"On another issue, still other whistleblowers are concerned that the settlement of the Columbia/HCA case might be for a dollar amount substantially less than the amount taxpayers lost. I share that concern.

"I'm worried that if the government weakens its application of the False Claims Act, the government would lose the full value of its most important weapon against fraud. I wrote to Secretary Thompson on Oct. 17, 2002, asking for complete responses to my earlier questions, while posing some new questions based on new information. Secretary Thompson and his staff have given me every indication that they'll respond in full to my requests, pending approval by the Justice Department. At a hearing in July, Attorney General John Ashcroft assured me that he'd work with me in getting answers to my questions. I've been following up and will continue to do so. I look forward to receiving the response of both agencies."

