



# COMPLIANCE CONNECTION

## MARCH 2025



This newsletter is prepared monthly by the Midland Health Compliance Department and is intended to provide relevant compliance issues and hot topics.

### IN THIS ISSUE

Feature Article:

**Jail Terms for HIPAA Violations by Employees**

**Midland Health PolicyTech: Policy #8690 Compliance Program Plan** (See Page 2)

### FRAUD & ABUSE LAWS

The five most important Federal Fraud and Abuse Laws that apply to physicians are:

- 1. False Claims Act (FCA):** The civil FCA protects the Government from being overcharged or sold shoddy goods or services. It is illegal to submit claims for payment to Medicare or Medicaid that you know or should know are false or fraudulent.
- 2. Anti-Kickback Statute (AKS):** The AKS is a criminal law that prohibits the knowing and willful payment of "remuneration" to induce or reward patient referrals or the generation of business involving any item or service payable by the Federal health care programs (e.g., drugs, supplies, or health care services for Medicare or Medicaid patients).
- 3. Physician Self-Referral Law (Stark law):** The Physician Self-Referral Law, commonly referred to as the Stark law, prohibits physicians from referring patients to receive "designated health services" payable by Medicare or Medicaid from entities with which the physician or an immediate family member has a financial relationship, unless an exception applies.
- 4. Exclusion Statute:** OIG is legally required to exclude from participation in all Federal health care programs individuals and entities convicted of the following types of criminal offenses: (1) Medicare or Medicaid fraud; (2) patient abuse or neglect; (3) felony convictions for other health-care-related fraud, theft, or other financial misconduct; and (4) felony convictions for unlawful manufacture, distribution, prescription, or dispensing of controlled substances.
- 5. Civil Monetary Penalties Law (CMPL):** OIG may seek civil monetary penalties and sometimes exclusion for a wide variety of conduct and is authorized to seek different amounts of penalties and assessments based on the type of violation at issue. Penalties range from \$10,000 to \$50,000 per violation.

Resource:

<https://oig.hhs.gov/compliance/physician-education/fraud-abuse-laws/>



MIDLAND HEALTH

### COMPLIANCE TEAM

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## Jail Terms for HIPAA Violations by Employees

Jail terms for HIPAA violations by employees are relatively rare, but there have been several cases where employee HIPAA violations have been referred to the Department of Justice and have resulted in financial penalties and jail time. Some cases that have resulted in jail terms for HIPAA violations by employees are listed below, along with cases where jail time for HIPAA violations has only narrowly been avoided. The penalties for HIPAA violations by employees can be severe, especially those involving the theft of protected health information. HIPAA violations by employees can attract a fine of up to \$250,000 with a maximum jail term for violating HIPAA of 10 years plus a further 2 years for aggravated identity theft.

### Jail Term for Former

#### Transformations Autism Treatment Center Employee

A former behavioral analyst at the Transformations Autism Treatment Center (TACT) was discovered to have stolen the protected health information of patients following termination. Jeffrey Luke, 29, of Collierville, TN gained access to a TACT Google Drive account containing the PHI of patients following termination and downloaded the PHI of 300 current and former patients onto his personal computer.

#### Organ Transplant Coordinator Gets 2-Year Jail Term for Accessing Judge's Health Records

A former organ transplant coordinator from Virginia who used his access to patient data to take a screenshot of the medical records of Supreme Court Justice Ruth Bader Ginsburg and then attempted to destroy evidence has been sentenced to 2 years in jail.

#### 54 Month Jail Term for Criminal HIPAA Violations and Aggravated Identity Theft

A former employee of an Arizona medical facility was sentenced to 54 months in jail for criminal HIPAA violations and aggravated identity theft. Rico Prunty, 41 years old, of Sierra Vista, Arizona, unlawfully accessed the medical intake forms of almost 500 patients between July 2014 and May 2017 and copied information such as names, addresses, dates of birth, Social Security numbers, and health information.

#### Pharma Sales Rep Faces up to 10 Years in Jail for PHI Access & Healthcare & Wire Fraud

A pharmaceutical sales rep has pleaded guilty to conspiring to commit healthcare fraud and wrongfully disclosing and obtaining patients' protected health information in an elaborate healthcare fraud scheme.

Read entire article:

<https://www.hipaajournal.com/jail-terms-for-hipaa-violations-by-employees/>



MIDLAND HEALTH Compliance HOTLINE

**855-662-SAFE (7233)**

**ID#: 6874433130**

ID# is required to submit a report.

You can make your report or concern **ANONYMOUSLY**.



MIDLAND HEALTH



**COMPLIANCE PROGRAM PLAN**

**PURPOSE**

Midland County Hospital District d/b/a Midland Memorial Hospital is a Texas governmental entity, established under the Texas Constitution by the Texas Legislature, to provide medical care to the residents of its District. In pursuit of its legislative purpose, Midland Memorial Hospital supports and promotes charitable, educational and scientific purposes through the hospital as well as its through its maintenance and support of its physician corporations and various corporate affiliations which support this mission. Midland Health (MH) is the entire system through which Midland Memorial Hospital conducts its activities in pursuit of its charitable, educational and scientific purposes.

**MISSION** Leading healthcare for greater Midland.

**VISION** Midland will be the healthiest community in Texas.

**CORE VALUES:**

**Pioneer Spirit...**

- We tell the truth and honor commitments.
- We innovate and embrace change.
- We are careful stewards of our resources.
- We overcome problems without complaining.
- We exceed quality and safety expectations through teamwork and partnerships.

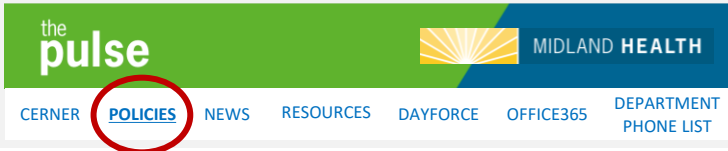
**Healing Mission...**

- We do our best to improve the health and well-being of our community.
- We are continuous learners.
- We create an environment that supports the healing process.
- We care for ourselves so we are able to care for others.
- We find joy in our work and have fun together.

*Read entire Policy: Midland Health PolicyTech #8690  
"Compliance Program Plan"*

**Midland Health PolicyTech Instructions**

Click this link located on the Midland Health intranet "Policies"  
<https://midland.policytech.com/dotNet/noAuth/login.aspx?ReturnUrl=%2f>



**IN OTHER COMPLIANCE NEWS**

**LINK 1**

**Hospital Sisters Health System: August 2023 Data Breach Affected 883K Individuals**

<https://www.hipaajournal.com/hospital-sisters-health-system-starts-notifying-individuals-about-august-cyberattack/>

**LINK 2**

**Solara Medical Supplies Pays \$3M to Settle Alleged HIPAA Security and Breach Notification Rule Violations**

<https://www.hipaajournal.com/solara-medical-supplies-hipaa-settlement/>

**LINK 3**

**Asheville Eye Associates Hacking Incident Impacts 193K Patients**

<https://www.hipaajournal.com/a/sheville-eye-associates-data-breach/>

**LINK 4**

**OCR Settles Ransomware Investigation With Michigan Surgical Group for \$10,000**

<https://www.hipaajournal.com/northeast-surgical-group-hipaa-penalty/>

**Iowa Doctor Jailed for Unauthorized Medical Record Access**

An Iowa doctor who accessed the medical records of current and former romantic partners without authorization, and shared an unauthorized photograph of a patient with his mother via Snapchat has been jailed for the HIPAA violations.

Dr. Gabriel Alejandro Hernandez-Roman, age 31, from Isla Verde, Puerto Rico was discovered to have accessed individuals' medical records without authorization in June 2023 after an anonymous complaint was filed with a hospital where he worked alleging he was entering into romantic relationships with patients, impermissibly accessing their medical records, and threatening them. The complaint was investigated and the privacy violations were confirmed.

When one of the women discovered Dr. Hernandez-Roman had viewed her medical records, he asked her to advise the hospital that she had given him permission to access her records. Dr. Hernandez-Roman accessed the medical records of another woman without authorization, including her medical records when she was a minor and her adult psychological records. He also took a photograph of a patient's prolapsed rectum and sent the image to his mother via Snapchat, which he claims was a warning about the importance of fiber intake.

Dr. Hernandez-Roman was investigated by the Iowa Board of Medicine and blamed his behavior on poor mental health and cultural and language barriers; however, those claims were rejected by the Board of Medicine which fined him \$7,500 and suspended his medical license. Dr. Hernandez-Roman was charged with criminal HIPAA violations and entered a guilty plea on June 28, 2024, to one count of wrongfully obtaining individually identifiable health information relating to an individual under false pretenses.

*Read entire article:*  
<https://www.hipaajournal.com/iowa-doctor-pleads-guilty-to-hipaa-violations/>

**FALSE CLAIMS ACT (FCA)**



**Pfizer Agrees to Pay Nearly 60M to Resolve False Claims Allegations Relating to Improper Physician Payments by Subsidiary**

Pharmaceutical company Pfizer Inc. (Pfizer), on behalf of its wholly-owned subsidiary Biohaven Pharmaceutical Holding Company Ltd. (Biohaven), has agreed to pay \$59,746,277 to resolve allegations that, prior to Pfizer's acquisition of the company, Biohaven knowingly caused the submission of false claims to Medicare and other federal health care programs by paying kickbacks to health care providers to induce prescriptions of Biohaven's drug Nurtec ODT.

"Through this settlement and others, the government has demonstrated its commitment to ensuring that drug companies do not use kickbacks to influence physician prescribing," said Acting Assistant Attorney General Brett A. Shumate of the Justice Department's Civil Division. "The department will use every tool at its disposal to prevent pharmaceutical manufacturers from undermining the objectivity of treatment decisions by health care providers."

The anti-kickback statute prohibits offering or paying anything of value to induce the referral of items or services covered by Medicare, Medicaid, TRICARE, and other federal health care programs. The statute is intended to ensure that medical providers' judgments are not compromised by improper financial incentives.

*Read entire article:*  
<https://www.justice.gov/opa/pr/pfizer-agrees-pay-nearly-60m-resolve-false-claims-allegations-relating-improper-physician>



**Do you have a hot topic or interesting Compliance News to report?**

**If so, please email an article or news link to:**

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