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**EMERGENCY ROOM SERVICE PROVIDERS AGREE TO PAY \$1.1 MILLION  
TO SETTLE FEDERAL MEDICARE, MEDICAID OVERBILLING CLAIMS**

CHICAGO – Two companies that provided emergency room staffing and billing services at various Chicago area hospitals have agreed to pay more than \$1.1 million to settle a federal “whistleblower” lawsuit alleging that they, together with an area physician and his ex-wife, over-billed Medicare and Medicaid by falsely claiming a higher level of services provided to patients. The settlement was approved last week by a federal judge, Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, announced today.

The defendants, **EMSCO Billing Services, Inc.**, which had offices in suburban Hinsdale, **National Emergency Services, Inc.** and **NES Holdings, Inc.**, of Raleigh, N. Car., which purchased EMSCO in 1994 and was controlled by settling defendant Allan H. Rappaport, of California, agreed to make specified payments to the United States, the State of Illinois, the State of Maine, two former employees who brought the allegations to the government’s attention and their attorneys. Portions of the federal lawsuit remain pending against **Dr. Robert D. Tetik**, of Indian Head Park, and his ex-wife, **Bonnie L. Tetik**, of Burr Ridge, both of whom founded EMSCO and were the sole shareholders until they sold the firm to NES Holdings.

The case began in 1996 when the original plaintiff, Linda Trombetta, a former EMSCO billing supervisor, filed a lawsuit under seal, alleging the over-billing practices. Three years later, a similar lawsuit was filed by another former billing supervisor, Linda Freeman, and the cases were consolidated. The United States joined portions of both cases in late 2001 and early 2002. Under the False Claims Act, lawsuits are filed under seal to allow the government an opportunity to investigate the allegations and decide whether to take an active role in the litigation. The law allows the original plaintiffs to be awarded a portion of any damages ultimately obtained by the government. *United States, ex rel. Linda Trombetta, Linda Freeman and James Freeman v. Emsco Billing Services, Inc.*, 96 C 226 and 99 C 151 (N.D. Ill).

Under the terms of the settlement agreement, the defendants agreed to pay a total of \$1,147,980, with that amount proportioned as follows: \$679,680 to the United States; \$250,980 to the State of Illinois; \$2,340 to the State of Maine; \$214,980 to the relators Trombetta and Freeman. In addition, the defendants agreed to pay \$340,000 in attorney fees to Trombetta's attorneys, Steven H. Cohen and Randy Berlin, and \$90,000 in fees to Freeman's attorneys, Norman Hafron and Barry Rosen. The agreement was approved by U.S. District Judge Joan Gottschall.

The settling defendants contend that their actions and billing practices were appropriate and lawful and did not violate any federal or state law or regulation. They also deny and contests the allegations and do not admit any liability. Further, they settled to avoid the expense, delay and uncertainty of protracted litigation, according to the settlement agreement.

According to the government's complaint, EMSCO billed and collected payments from medical payers, including Medicare and Medicaid, for emergency room physician services rendered at client hospitals, which included more than a half-dozen community hospitals in the Chicago area.

After EMSCO was acquired by NES in 1994, Dr. Tetik remained its chief executive through 1997. In July 1989, the suit alleged, the Tetiks instructed their employees to bill the Illinois Department of Public Aid, which administers the Medicaid program in the state, at one of the two highest reimbursement codes to Medicaid patient files, regardless of the actual level of services rendered to those patients. After Medicaid codes were revised in 1992, the Tetiks instructed their employees to routinely upcode patient files, regardless of the treatment provided.

In 1995 and 1996, the corporate defendants also allegedly over-billed Maine Medicaid for emergency room physician services rendered at a hospital in Lewiston, Me. When the medical payer was a health maintenance organization, a private insurance company, or the actual patient, the billing service did not upcode the level of treatment.

The United States is and was represented by Assistant U.S. Attorneys Patrick W. Johnson and Carole J. Ryczek. The investigation was conducted by the U.S. Department of Health and Human Services Office of Inspector General and the Federal Bureau of Investigation.

In a civil case, the defendants are entitled to a fair trial at which the government has the burden of proof by a preponderance of the evidence.

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