#### **60 MINUTES SCRIPT**

The following is a script I reported and wrote for Ed Bradley at *60 Minutes*. It includes footnotes to show sources (off-the-record sources deleted). You can watch the story <u>here</u>.

### **UNHEALTHY DIAGNOSIS — 60 MINUTES/CBS NEWS**

STUDIO OPEN:

With 114 hospitals and 14 billion dollars in yearly revenue, Tenet HealthSystems is this

country's second largest healthcare company.<sup>1</sup> It is also one of the country's most

profitable, having built its business on critical care centers which specialize in

expensive high-risk procedures, like heart surgery.<sup>2</sup> But is it true, as is being alleged,

that Tenet has made some of its profits from overbilling,<sup>3</sup> false diagnoses,<sup>4</sup> and – in

one of its hospitals - heart surgery performed on patients who didn't need it?

<sup>&</sup>lt;sup>1</sup> Phone conversation with Tenet PIO Harry Anderson and General Counsel Christie Sulzbach, 1-10.

<sup>&</sup>lt;sup>2</sup> Tenet 10-Q, 10/02, description of income and services offered, emphasis and increasing income from high-acuity services associated with baby boomers. --Tenet press release about building up its programs for baby boomers, from Tenet

<sup>--</sup> I enet press release about building up its programs for baby boomers, from Tenet website.

<sup>--</sup>Tenet's outlier income reflects this business strategy—outliers representing high-risk and expensive procedures.

<sup>&</sup>lt;sup>3</sup> Clips re federal audit of Tenet hospitals to investigate their system of outlier payments --SEC investigation of same

<sup>--</sup>Dr. Pearce letter to SEC asking it to investigate alleged overbilling

<sup>--</sup>shareholder class action suit about overbilling

<sup>--</sup>DOJ press release 6/18 re 139 Tenet hospitals pay \$17 million for overbilling

<sup>--</sup>Clip re \$55.75 million settlement between Tenet and fed govt for numerous allegations of fraud and overbilling

<sup>&</sup>lt;sup>4</sup> DOJ press release 2/10/03 re \$4.3 million settlement for claims of upcoding in 5 Florida hospitals.

<sup>--</sup>USA vs Tenet filed 1/9/03 re upcoding in 104 Tenet hospitals.

<sup>--</sup>USA ex rel Barbara vs Tenet in Miami, concerning Stark law violations.

In the shadow of Mt. Shasta is Redding California, a quiet town surrounded by

farmland—and home to Redding Medical Center, one of Tenet HealthSystems' most

profitable hospitals.<sup>5</sup> Since 1989,<sup>6</sup> much of that profit has been generated by the

hospital's director of cardiology,<sup>7</sup> Dr. Chae Hyun Moon. Dr. Moon has performed more

than 30,000 angiograms and ultrasounds<sup>8</sup>—procedures in which a tube is threaded

through a patient's heart to look for clogged arteries. Based on those tests, Dr. Moon

has sent thousands of patients for coronary bypass operations.9

--Also USA ex rel William Noll, in which Tenet paid \$9.75 million in 6/02 to settle case brought by one of its controllers, who alleged systematic overbilling.

--Also Palmetto case, in which Tenet paid \$29 million in 6/02 to settle charges itdefrauded Medicare through home health agency.

<sup>--</sup>Also \$17 million paid in 6/02 for charges of overbilling and fraud at 139 current and former Tenet facilities.

<sup>&</sup>lt;sup>5</sup> Tenet state tax filings in CA—RMC has highest pretax income of all Tenet's CA hospitals

<sup>&</sup>lt;sup>6</sup> Year RMC's heart institute was opened

<sup>&</sup>lt;sup>7</sup> Moon public speech 2-6-96, RMC ad 1-30-00

<sup>&</sup>lt;sup>8</sup>RMC website says hospital does about 200 caths per month.

<sup>--</sup>RMC ad 1-30-00 says his dept did 2798 caths in first 11months of '99

<sup>--</sup>Moon vs Mercy Plaintiff's response to Defendants Statement of Undisputed Facts,

<sup>8/13/99—</sup>says Moon does as many caths as all 7 other cardiologists in Redding combined.

<sup>--</sup>Moon public seminar 2-6-96 Moon points out that he did 1900 of RMC's 2400 caths.

<sup>--</sup> RMC Lake Tahoe retreat papers say 18,153 angiograms at RMC by 1995—this is before Moon started doing IVUS.

<sup>--</sup>Moon in defendant's exhibit 9, Minutes of General Executive Meeting says he did 1900 caths in 1995.

<sup>&</sup>lt;sup>9</sup> RMC website says hospital does about 700 heart surgeries a year. RMC Lake Tahoe retreat papers.

## One of them was Jay Bradley, a 35-year-old father of three.<sup>10</sup> Two years ago, Bradley

### started having chest pains and went to see Dr. Moon. The diagnosis was grim.<sup>11</sup>

Jay Bradley: He put the monitor in front of my face, and he showed me a little artery on there and says "Well, this is clogged. And this one's the top front of your heart, and there's zero chance of survival."

Ed Bradley: Zero chance of survival?

Jay Bradley: Zero. He says if something happens here, there's zero chance of survival.

Ed Bradley: Whoa...

Jay Bradley: ...We need to operate on you right away.

### Immediately Bradley was checked into the hospital and told he could be called into

### the operating room at any minute.<sup>12</sup> But then, something even more alarming

#### happened.

Jay Bradley: A nurse came in, and she basically told me "Get out!"

Ed Bradley: What do you mean "Get out?"

Jay Bradley: She said "Get out." Under her breath she says "You should get out!" and walked out of the room and I said "Get back in here!" And she says, "I can get fired for saying this, but I don't think you need the surgery."

Ed Bradley: Did she tell you why she thought you didn't need surgery?

Jay Bradley: She just said, I don't think you need bypass surgery, that's a major operation. I really don't think you need this. And she had asked another doctor to come in and talk to me. And he came in with his head down, wouldn't even look me in the eye, and said "I don't really think you need this.<sup>13</sup> Maybe you should leave here and go to a big city somewhere."

<sup>&</sup>lt;sup>10</sup> Bradley conversation, 11/2.

<sup>&</sup>lt;sup>11</sup> Bradley conversation, 11/2. Bradley medical charts, taped interview

<sup>&</sup>lt;sup>12</sup> Bradley conversation, 11/2, taped interview, Bradley medical chart

<sup>&</sup>lt;sup>13</sup> Bradley chart from Mercy medical center supports this.

Ed Bradley: So this is the situation. Dr. Moon says you need surgery right away, you're gonna die. Another doctor comes in and tells you "Get outta town?"

Jay Bradley: Yeah.

Ed Bradley: And go somewhere else for another opinion?

Jay Bradley: Yes.

Ed Bradley: Whoa...

Jay Bradley: And at this point, I'm going crazy here, I don't know if—am I dying? You know, who's right, who's wrong here? I went home.

### But the next day, he had more chest pains. So he went across town to Redding's only

### other hospital, Mercy Medical Center, where he got yet another surprise.

Jay Bradley: They called in the cardiologist who looked at my films, looked at my records, and he came up and told me, I don't see anything wrong with you at all.<sup>14</sup>

Ed Bradley: Nothing wrong with you?

Jay Bradley: Nothing wrong with me. And the doctor finally told me "You're the third patient this week that's come in here from Redding Medical Center that's just basically narrowly escaped having this bypass surgery, that's come in here, and we can't find anything wrong with them."

### After running tests of their own, doctors told Jay Bradley that he might have an

irritated nerve or muscle.<sup>15</sup> His chest pains soon ended, and never happened again.<sup>16</sup>

61-year-old Tom Mitchell wasn't so lucky. Last July, he was at Redding Medical Center,

recovering from an emergency appendectomy<sup>17</sup> when a nurse told him they were

<sup>&</sup>lt;sup>14</sup> Bradley medical charts—See page of medical records in which Cardiologist Dr. Pick calls Bradley a victim of "gross misinformation by Dr. Moon"

<sup>&</sup>lt;sup>15</sup> Conversation Jay Bradley, 11/2

<sup>--</sup>Bradley chart from Mercy—"chest pain overwhelmingly likely to be non-cardiac in origin"

<sup>&</sup>lt;sup>16</sup> Conversation Jay Bradley 11/2.

### going to check his heart. The next thing he knew, Dr. Moon was at his bedside, telling

### him he wanted to do an angiogram.<sup>18</sup>

Ed Bradley: Had you told anyone that you were having pains in your chest? That you suspected you might be having a heart problem?

Tom Mitchell: No. Because I wasn't.

Ed Bradley: And what was the result of the angiogram? What did he say?

Tom Mitchell: He said "See that hanging down right there?" He said "That's a widow maker!"

Ed Bradley: A what?

Tom Mitchell: A widow maker. And I said "What, what do you mean?" And he said "That could slough off and you would have a heart attack immediately."

Ed Bradley: What did he say about surgery?

Tom Mitchell: He said "You're here. Why don't we take care of it?" And if it was a widowmaker, that was the time to take care of it.<sup>19</sup>

Ed Bradley: What did you think of that?

Tom Mitchell: I really was in no shape to reason anything through such as bypass surgery. I was sick, I was real sick.

Ed Bradley: So you hadn't recovered from the appendectomy?

Tom Mitchell: It had only been three days.

<sup>17</sup> Tom Mitchell medical chart, conversation Tom Mitchell 12/2 and girlfriend Kristen 12-17

<sup>18</sup> Tom Mitchell medical chart shows no other tests between EKG and angiogram, conversation Tom Mitchell 12/2 and Kristen 12-17, taped interview

--see also conversation Dr. Mark Sanz re: unacceptable to do angiogram straight from EKG with no intermediate tests

--Phone conversation Dr. Colman Ryan 1-17 about how shouldn't have done this angiogram or IVUS—no call for it, too invasive a test without other tests first and no indications, also shouldn't have been done while Mitchell was still sick from appendectomy

<sup>19</sup> Conversation with Tom Mitchell 12/2 and Kristen 12-17—Moon said it may not bother him for 8-10 years but they might as well take care of it then

Ed Bradley: You were still on pain medication?

Tom Mitchell: Yes.

Ed Bradley: Do you think that affected your judgment?

Tom Mitchell: Absolutely.<sup>20</sup>

Within 24 hours, doctors at Redding Medical Center were operating on Mitchell's

heart.<sup>21</sup> But we showed Mitchell's records, along with the film Dr. Moon took of his

heart, to a group of 11 cardiac specialists and all of them agreed: he shouldn't have

had an angiogram, let alone surgery.<sup>22</sup> And that may not be the worst news for Tom

Mitchell. Because most coronary bypasses last less than 10 years, he may have to have

#### heart surgery again.<sup>23</sup>

Tom Mitchell: I feel violated. I feel like a gutted trout almost, from the incision that was made down my chest.

Ed Bradley: How big is that scar?

Tom Mitchell: It goes from my Adam's apple to the bottom of my sternum, completely. They cut me in half.

<sup>&</sup>lt;sup>20</sup> Medical records, conversation with Tom Mitchell and Kristen, 12-17—Kristen said he was slow, slurring

<sup>&</sup>lt;sup>21</sup> Mitchell medical record.

<sup>&</sup>lt;sup>22</sup> Phone conversation 1-17 with Dr. Colman Ryan, executive Director and Medical director, San Francisco Heart Institute and Cardiovascular Services, Seton Medical Center. Clinical Professor of Medicine, UCSF. President, Medical Staff, Seton Medical Center. Dr. Ryan says his center was approached by both defense and plaintiffs in Redding litigation and declined. Dr. Ryan reviewed EKGs, charts, angiogram and IVUS with entire staff of cardiologists and cardiac surgeons—including interventional cardiologists who work regularly with IVUS-- in their weekly meeting. All felt Mitchell shouldn't have had an angiogram or surgery.

<sup>&</sup>lt;sup>23</sup> Dr. Colman Ryan, phone conversation 2-6.

<sup>--</sup>Dr. David Anderson taped interview, 11-20.

<sup>--</sup>It is not clear from Mitchell's records whether he had a bypass with a vein or with an artery—his records say both things and are self contradictory in that and several other respects. Arterial bypasses last longer than vein grafts.

Kim Schlenker, a critical care nurse who lived in Redding until 1999,<sup>24</sup> says she's seen a number of cases like Tom Mitchell's.<sup>25</sup> And she remembers working with other cardiologists when they examined Dr. Moon's former patients.<sup>26</sup>

Kim Schlenker: I can recall where the doctor has said, "My god, they bypassed normal coronaries!"

Ed Bradley: And these were cases where Dr. Moon had ordered the bypass surgery?

Kim Schlenker: Right.

Ed Bradley: Did people complain to the people who ran the hospital about him?

Kim Schlenker: Oh, yes. Many complaints were made. Letters were written.<sup>27</sup>

At Redding Medical Center, at least one doctor has told federal authorities that he

repeatedly warned Tenet's administrators there about doing "heart

procedures...[that] may not have been medically necessary."<sup>28</sup> Other cardiologists in

Redding have also told authorities they spoke to Tenet's administrators about

<sup>&</sup>lt;sup>24</sup> Schlenker deposition, July 22, 1999.

<sup>&</sup>lt;sup>25</sup> Taped interview, phone conversation with Schlenker, 12/2.

<sup>&</sup>lt;sup>26</sup> Taped interview, phone conversation with Schlenker, 12/2.

<sup>&</sup>lt;sup>27</sup> Schlenker taped interview.

<sup>--</sup>OFF THE RECORD conversation with [DELETED]

<sup>--</sup>Taped interview atty. Dugan Barr, in which he describes people he knows who have left RMC because of Moon, complained about him to administration.

<sup>&</sup>lt;sup>28</sup> FBI affadavit p 17.

<sup>--</sup> OFF THE RECORD conversations [DELETED]

<sup>--</sup>Phone conversations with Dr. Richard Malotky, family practitioner in Redding who stopped his patient from having bypass surgery ordered by Moon in 7/02. Malotky wrote a complaint to the CA Med Board about the case, and signed a subsequent affadavit for the CMB saying "I believe Dr. Moon and Dr. Realyvasquez are advocating bypass surgeries for patients with healthy coronary arteries. I believe this represents a threat to the public health and would like to go on the record in the strongest way possible protesting this activity."

"unnecessary heart procedures and surgeries" being performed there.<sup>29</sup> And in 1999,

doctors at another hospital alerted Redding Medical Center of their "concern...that Dr.

Moon is unsafe," after several nurses had complained about him.<sup>30</sup> Kim Schlenker was

one of those nurses.

Ed Bradley: What did you write?

<sup>30</sup> Plaintiff's exhibit 4 in lawsuit Moon vs. Mercy, 1999—medical review board minutes of meeting, 1996, in which Board discusses a number of complaints from cath lab staff about Dr.Moon and incidents in which he was "unsafe" or "careless"—including a case in which he abandoned a patient who had a stroke while Moon was giving him an angiogram. According to Schlenker's sworn testimony from case in '99, Moon made it clear he was leaving the patient while he was having a stroke so he could get to his scheduled cases across town. Mercy investigated and decided to put Dr. Moon on monitoring for patient safety; Dr. Moon sued Mercy for damage to his reputation and business. The judge threw out Dr.Moon's claims, but not before RMC was subpoenaed for files concerning quality of care issues and Dr. Moon. Legal briefs from Mercy and the doctors on its review board to RMC say Mercy was "investigating" "patient care and employee safety concerns" about Dr. Moon (Memorandum of pts and authorities in support of def Motion to compel production of docs by RMC, 6/2/99). RMC fought that subpoena.

--Deposition of Nena Perry 5-7-99 for Moon vs Mercy lays out facts.

--Phone conversation with Harry Anderson and Christi Sulzbach, 1-10, in which Anderson and Sulzbach say they took Moon's word on what had happened at Mercy, believe they made Moon chief of Cardiology after the Mercy incident, not before. --Phone conversation with Brandon Edwards, in which he says he believes they made Moon Director of Cardiology after he left Mercy Hospital.

--Moon vs. Mercy, Plaintiff's Response to Defendants' Statement of Undisputed Facts, p6: Dr. Moon took out newspaper advertisements to make it clear he was no longer going to practice at Mercy but only at RMC.

<sup>&</sup>lt;sup>29</sup> FBI affadavit p 29, confirmed by OFF THE RECORD conversation [DELETED]and written OFF THE RECORD statement, [DELETED]

<sup>--</sup>See also Dr. Ditchey's declaration given on 11-12 to CA AG, and entered as evidence in court on 11-12.

<sup>--</sup>See also taped interview of David Anderson, MD, who sent a complaint to the California Medical Board in 1992, saying he was "alarmed" that "something as major as bypass surgery would be recommended [by RMC] with so little evidence of need," and that "it raises great concerns in my mind as to what goes on on a day to day basis." This was fully investigated by the CMB in 1992, and therefore, according to both the CMB and Tenet (see conversation with Sulzbach and Anderson 1-10), RMC would have been notified about the complaint. Also see SF Chron article in which CMB spokesman says of '92 investigation "If we missed it shame on us...That is unfortunate."

Kim Schlenker: That I thought that he was a dangerous man and that he doesn't regard the lives of the people he works with or the patients he's working on.

# But Tenet's administrators in Redding not only ignored the warnings about Dr. Moon,

they built their heart center around his practice<sup>31</sup>: making him Director of

Cardiology,<sup>32</sup> featuring him in their ads,<sup>33</sup> and flying him to outlying clinics so he could

see even more patients.<sup>34</sup> By 2001, Dr. Moon was doing about five times the number

of angiograms performed by most cardiologists<sup>35</sup>—and at twenty thousand dollars or

more for each procedure, he was making Tenet millions of dollars a year.<sup>36</sup>

<sup>&</sup>lt;sup>31</sup> Conversation with RMC employees, arranged by Harry Anderson of Tenet—Sheryl Hallstrom cardiac nurse, Brandon Edwards PR rep for RMC, Tamara Caudle (Dir of Cardiology and Vascular Svcs), Cynthia Gordon RN and Dir of Critical Care, Richard Atkisson, RN Clinical support cath Labs,, Richard Pacter RMC atty: Hallstrom, Gordon, Atkisson indicated that Dr. Moon was the leader of the heart program—that he was a "visionary" who brought the heart center to a top-rate status, that he taught them much of what they knew. Cindy Gordon and Sheryll Hallstrom described building the center with him.

<sup>--</sup>Dr. Moon's public seminar 2/6/96, in which he points out how he did 1900 of RMC's 2400 cardiac cases in 1995, and says "Who is Redding Medical Center? Moi."

<sup>--</sup>RMC ad 1-30-00 describes how Moon is the driving force behind the cardiology dept. <sup>32</sup> Phone conversation with Harry Anderson and Christi Sulzabach, 1-9, in which they say they believe Moon was made Director of Cardiology after the Mercy incident. Also, conversation with Brandon Edwards, 1-13, in which he also says he believes Dr. Moon made director of cardiology after Mercy incident.

<sup>&</sup>lt;sup>33</sup> Ad records from Redding Record Searchlight (see file: heart/ad records record searchlight)

Conversation with Brandon Edwards, in which he confirms Dr. Moon was featured in TV and print ads.

<sup>&</sup>lt;sup>34</sup> Conversation with Larry Kamer, PR rep for Dr.Moon, 1-30.

<sup>--</sup>OFF THE RECORD conversation with [DELETED]

<sup>--</sup>OFF THE RECORD conversation [DELETED]

<sup>&</sup>lt;sup>35</sup> FBI affadavit, p 14.

<sup>--</sup>Moon vs Mercy Plaintiff's response to defendants' statemt of undisputed facts, 8-13-99 describes how Moon did 1894 in 1995, which is as many as all the angiograms done by all 7 other doctors in Redding for that year.

Moon 2/6/96, describes in public seminar how he did 1900 of RMC's 2400 procedures in 1995.

<sup>&</sup>lt;sup>36</sup> See bill from Russ Reiner's client. Reiner says that the bills they have seen from hundreds of clients show charges of \$25,000 to \$45,000 for an angiogram, plus another \$20,000 or so for an IVUS.

But it wasn't a doctor or a nurse who finally did something about what was going on

at Redding Medical Center...It was a priest.

Sound up Father John Corapi: We know the last chapter of the book—we win. God love you.

Last June, after Father John Corapi was told by Dr. Moon that he had a fatal heart

condition and needed bypass surgery,<sup>37</sup> Father Corapi went to a lawyer to prepare a

will, he went to confession, and then he went to another hospital where he had close

friends for his surgery.<sup>38</sup>

John Corapi: The cardiologist said "excuse me, but what are we bypassing? You're bypassing something when you do a bypass surgery." He said "I don't see anything."<sup>39</sup>

After a series of tests showed his heart was normal,<sup>40</sup> Father Corapi called a meeting

with Tenet's administrators at Redding Medical Center.<sup>41</sup>

<sup>--</sup>Father Corapi was also in and out in one day and was charged more than \$40,000 for his procedure. Corapi taped interview.

<sup>&</sup>lt;sup>37</sup> John Corapi records. Note in records, "spontaneously dissecting arteries." According to Drs. Donohoe and Shahene in LV, Dr. Ryan at SF Heart Institute and Dr. Sanz at Montana Int'l Heart Institute, this is a very rare and quickly fatal condition. Dr. Ryan said his institute has just put out a paper on this condition and how rare it is. Dr.Sanz concurred in a separate conversation. All of these doctors said it was impossible that Father Corapi would be asymptomatic with this condition, and he could not still be in good health now if he had it last summer.

<sup>&</sup>lt;sup>38</sup> John Corapi taped interview.

<sup>--</sup>Phone conversations 11-26 with Dr. Richard Shehane, cardiologist in LV, and Dr. Nancy Donohoe, 11-27, cardiac surgeon in LV, who saw Father Corapi in LV and decided he should not have surgery.

<sup>&</sup>lt;sup>39</sup> Conversations 11-26 with Dr. Richard Shehane, cardiologist in LV, and Dr. Nancy Donohoe, 11-27, cardiac surgeon in LV, who saw Father Corapi in LV and decided he should not have surgery. Both said they were ready to do an emergency surgery, based on the diagnosis, until they saw Moon's films and saw Corapi's heart was fine, had a normal amount of plaque for his age, and nothing that would merit surgery. Both said this was not a borderline call, but way out of bounds of any kind of acceptable judgment. <sup>40</sup> John Corapi medical records with Dr. Shahene.

<sup>&</sup>lt;sup>41</sup> Conversation with Harry Anderson, Christi Sulzbach, 1-10, confirms this. Also, taped interview with John Corapi.

John Corapi: I said we would like you to look into this. Investigate it. See what's going on here, because there's something that's not quite right here. And they just refused.

Ed Bradley: Did they say that, looking at these conflicting opinions, that you should go ahead and have the bypass surgery?

John Corapi: They said, "You're in a life threatening situation. We concur with Dr. Moon's findings and recommendations. As a matter of fact, we're ready to admit you this afternoon."

Tenet's administrators assured Father Corapi that another cardiologist had already

confirmed Dr. Moon's opinion, but they wouldn't release that doctor's name.<sup>42</sup>

Meanwhile, Father Corapi sent his records to seven cardiac specialists, who agreed his

heart was healthy.<sup>43</sup> He also called Redding Medical Center one last time.<sup>44</sup>

John Corapi: And, it just sticks out in my memory, Hal Chilton, the CEO, said over the phone, he said "We like our position. Seek counsel if you like."

Ed Bradley: And you did?

John Corapi: And we did.

Father Corapi did more than seek counsel. He called the FBI, who eventually sent

more than 40 agents to raid Redding Medical Center, Dr. Moon's office, and the office

of the hospital's director of cardiac surgery.<sup>45</sup> They confiscated thousands of files<sup>46</sup>,

<sup>&</sup>lt;sup>42</sup> Taped interview, John Corapi. Also confirmed in conversation with Harry Anderson, Christi Sulzbach, 1-10. They said this was a cardiologist at RMC, but would not release any report or identifying information about the cardiologist. They said they had not yet had anyone else review Corapi's case since the FBI raid.

<sup>&</sup>lt;sup>43</sup> Taped interview Corapi—two cardiac surgeons and two cardiologists in LV. Taped interview with Dugan Barr, Barr showed to his own cardiologist expert before Barr took Corapi's case. Corapi also sent 60 Minutes his records and IVUS film, and we showed them to Dr. Ryan, who showed them to 2 others at his institute. All of the above agreed that Corapi's heart was healthy. We discounted Ryan's opinion, since he knew about Dr. Moon's reputation by the time he got Corapi's records.

<sup>&</sup>lt;sup>44</sup> John Corapi, taped interview.

<sup>&</sup>lt;sup>45</sup> FBI affadavit. Phone conversation 2/7/03 with Nick Rossi FBI Sac Buro.

<sup>&</sup>lt;sup>46</sup> FBI affadavit.

including those of at least 167 patients who died after surgery ordered by Dr. Moon<sup>47</sup>. Dr. Moon declined our request for an interview.<sup>48</sup>

For Tenet Health Systems, news of the raid could not have come at a worse time. All around the country, a number of Tenet hospitals have recently been subjects of federal actions<sup>49</sup>—in Florida for patient endangerment,<sup>50</sup> in California for evidence of illegal kickbacks to physicians.<sup>51</sup> And government officials in Washington DC have

filed a lawsuit against Tenet, claiming the company has systematically defrauded

taxpayers.52

Tenet declined our request for an interview, but the company's executives sent us a

letter stating in part:

"We expect to demonstrate in the weeks and months ahead that our internal systems

and processes work effectively whenever we become aware of anything that fails to

meet the law or our own high standards."

<sup>&</sup>lt;sup>47</sup> FBI affadavit.

<sup>&</sup>lt;sup>48</sup> Conversations with Larry Kamer, including 12-13, 1-13.

<sup>&</sup>lt;sup>49</sup> --See also Tenet conference call 11/7/02, concerning federal audit of Tenet hospitals to investigate Tenet's system of charging for outlier payments.

<sup>--</sup>Also USA ex rel Barbara vs Tenet in Miami, concerning Stark law violations.

<sup>--</sup>Also USA ex rel William Noll, in which Tenet paid \$9.75 million in 6/02 to settle case brought by one of its controllers, who alleged systematic overbilling.

<sup>--</sup>Also Palmetto case, in which Tenet paid \$29 million in 6/02 to settle charges it defrauded Medicare through home health agency.

<sup>--</sup>Also \$17 million paid in 6/02 for charges of overbilling and fraud at 139 current and former Tenet facilities.

<sup>&</sup>lt;sup>50</sup> Tenet letter to Malmgren 2/6/03, conversation with Peter Ashkenaz, PR for CMS on 2-7-03, news clip describing how Medicare threatened to cut off Palm Beach Gardens if the hospital didn't address rampant infection problems which the govt described as putting patients in "immediate jeopardy."

<sup>&</sup>lt;sup>51</sup> Tenet letter to Malmgren 2/6/03. Tenet news release 12-19.

Concerning Dr. Moon and Redding's Chief of Cardiac Surgery—who is also under investigation by the FBI--they wrote:

"We were as surprised as everyone by this investigation. The two doctors have

practiced in the Redding area for decades and their reputation for providing good

care, so far as we know, was impeccable until last October."53

Congressman Pete Stark has worked on health care issues for 30 years.<sup>54</sup> He says

### that—at least concerning Dr. Moon—Tenet's arguments are hard to believe.

Stark: When they are running ads for this person, and when they have documented charges by people who have called his practice to their attention time and time again, when their own nurses were complaining, when other physicians were complaining—it's pretty hard for somebody to say, "Gee, I didn't know."

### Congressman Stark has followed Tenet since 1994, when the company paid an

unprecedented 379 million dollars to settle fraud claims brought by 28 states and the

federal government, and pled guilty to charges of criminal conspiracy and giving illegal

### kickbacks to physicians.55

Stark: You have people who are willing to break the law, and have a record of doing that. I mean, these guys are the poster children for unethical business practices.

<sup>&</sup>lt;sup>52</sup> USA vs Tenet complaint, 1/03.

<sup>&</sup>lt;sup>53</sup> Tenet letter to Malmgren 2/6/03.

<sup>&</sup>lt;sup>54</sup> Official Stark biography on House of Reps website.

<sup>&</sup>lt;sup>55</sup> Phone conversation with Judy Holtz, PR for HHS IG's office, 2/7, clips describing settlements with NME/Tenet. See DOJ documents outlining criminal please.

Ed Bradley: Tenet executives have said that the doctors under investigation had only what they call a "loose connection" with their hospital's administrators, who really hardly dealt with them at all.<sup>56</sup>

Pete Stark: That seems to me to be an outright lie. They were providing clerical and medical assistance to Dr. Moon at no cost.<sup>57</sup> They were providing him the use of a helicopter.<sup>58</sup>

Ed Bradley: But what could they do about it, if they suspected that a doctor was performing unnecessary surgeries?

Pete Stark: Well they could suspend his privileges, and not make him Chief of Cardiology...

TAG: Tenet never suspended Dr. Moon's privileges, even after the FBI raid last

October. Instead, the company decided to let him continue doing procedures, while

they monitored his practice.<sup>59</sup> Meanwhile, hundreds of Dr. Moon's former patients

have now been told by other doctors that they got heart procedures they didn't

<sup>&</sup>lt;sup>56</sup> Phone conversation with Harry Anderson and Christi Sulzbach, 1/10. Also conversations with Harry Anderson, including 11-9, 12-9, 12-10, 12/.

<sup>&</sup>lt;sup>57</sup> Phone conversation with Kim Schlenker, 1/24/03, about how she was interviewed for job at RMC in early 90s—was supposed to do Dr. Moon's clerical work, as well as histories and physicals. She says she did not know Dr. Moon very well at that point, hadn't ever scrubbed in with him at that point. She did not get the job. (no contemporaneous notes)

<sup>--</sup>OFF THE RECORD conversation with [DELETED]

<sup>--</sup>OFF THE RECORD conversation with [DELETED]

<sup>--</sup>OFF THE RECORD conversation with [DELETED].

<sup>&</sup>lt;sup>58</sup> Conversation with Larry Kamer, PR rep for Dr.Moon, 1-30.

<sup>--</sup>OFF THE RECORD conversation with [DELETED].

<sup>--</sup>OFF THE RECORD conversation [DELETED]

<sup>--</sup>Phone conversation 11/26/02 with Lee Ann Polete, Dr. Moon's receptionist in 1995, who described how he had her call RMC to send the helicopter out to pick up patients from outlying clinics including Greenville 2-3 times a day.

<sup>--</sup>Phone conversation with Stark staffer Terri Shaw, day of Stark interview—she said she discussed Moon's use of helicopter with investigators at HHS IG, who confirmed they were investigating it.

<sup>&</sup>lt;sup>59</sup> Phone conversation with Harry Anderson and Christi Sulzbach, 1/10.

need.<sup>60</sup> And lawsuits have been filed against Tenet, Redding Medical Center, Dr.

Moon, and several of the hospital's cardiac surgeons.<sup>61</sup>

<sup>&</sup>lt;sup>60</sup> Phone conversation with Russ Reiner, 1/03, in which he confirmed that their firm had sent records of more than 200 clients to their experts and received opinions that those clients got unnecessary heart procedures—no notes.

<sup>--</sup>E-mail from Dugan Barr, 1/15/03, in which he says they've seen about 12 clients who've been advised by other doctors they had unnecessary surgery and four who've been advised they had unnecessary catheterizations.

<sup>&</sup>lt;sup>61</sup> Reiner cases include complaints against 3 cardiac surgeons from RMC—all are also against Moon and Tenet and RMC. Barr case for Corapi against Tenet, RMC, Moon, Realyvasquez. Other firms have also filed suits.