

FULL WRITTEN STATEMENT FROM KLINE'S ATTORNEY, MICHAEL J. SALMANSON

Dr. Glenn Kline, a prominent Lancaster surgeon, has agreed to a settlement with the federal government related to claims that his former employer, HMA, provided improper certifications related to its compliance with federal regulations related to the HMA's own bills associated with surgeries performed by Dr. Kline at the Heart of Lancaster hospital. The settlement does not include any admission of wrongdoing.

The claims against Dr. Kline were raised as part of no less than nine broad-reaching lawsuits related to HMA's compensation practices across many states. HMA has agreed to pay close to \$150 million to resolve those cases, including \$55 million specifically related to its Lancaster operations.

Dr. Kline was represented by Michael J. Salmanson of Salmanson Goldshaw, PC in Philadelphia. According to Salmanson, Dr. Kline's own billings were not an issue, and there was no suggestion that he had directly submitted any false bills for payment. Instead, the Government sought to hold him additionally liable for the Hospital's "false certification" that it had fully complied with complex regulations related to payments for referrals.

The claims against Dr. Kline related to his employment agreement with HMA, which he last entered into in 2009. The government contended that his employment agreement paid him "excessive compensation" in violation of federal law. That agreement paid him a guaranteed base salary, plus an additional salary based on his surgical load. During the period of the contract, the Hospital struggled to attract qualified surgeons; indeed, the Government itself acknowledged that in 2009, Dr. Kline accounted for roughly half of the Hospital's surgical caseload.

The original case was filed under seal in 2010. Dr. Kline was not named as a party until 2015, and did not learn that his employment agreement was at issue until 2016.

Hospital administrators had assured Dr. Kline that his contract fully complied with the regulations at issue; indeed, the contract itself specifically stated that the parties intended to comply with the regulations and required them to renegotiate the Agreement if it was determined that it did not. Although HMA had notice of the original lawsuit as early as 2010, it did not inform Dr. Kline that his Agreement might be improper, thereby exposing him to many additional years of potential liability. "I negotiated my employment agreement on my own, without my own legal counsel. I completely relied on HMA and its counsel's representations that the agreement fully complied with the law" said Kline. As a result, he is considering his own action against his former employer.

The Government has agreed that the payment is solely in the form of restitution, in other words, a repayment of money made by the government to the hospital, and not a penalty or fine of any kind. In addition, Dr. Kline will not be required to enter into a Corporate Integrity Agreement, which is a common demand of the Government as a condition of settlement of False Claims Act cases.

“Although we were very confident that, had we gone to trial, Dr. Kline would have been fully vindicated, given the length of time which had already passed, it would have been difficult and very expensive to fight against the federal government’s limitless resources” said Salmanson.

“While Dr. Kline’s salary was well above other surgeons in the region, we believe that the evidence would have clearly demonstrated that this was simply a reflection of Dr. Kline’s extraordinary caseload during that time period. Indeed, after Dr. Kline returned to private practice, his business continued to thrive, no doubt because his fellow physicians trust their own patients to him. This settlement allows Dr. Kline to continue to keep his singular focus on providing the extraordinary patient care which he has consistently delivered to the greater Lancaster Community for the past 31 years.”