

Stanford Children's Hospital Hit with Multi-Million Dollar Healthcare Billing Fraud Lawsuit

Stanford is again sued for its alleged multi-million dollar healthcare billing fraud, now at Lucille Packard Children's Hospital Stanford.

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/EINPresswire.com/ -- The Wonderful Company filed suit in California State Superior Court against Stanford for alleged multi-million dollar healthcare fraud at the Stanford Lucile Packard Children's Hospital. The lawsuit is captioned The Wonderful Company vs. Stanford Children's Hospital et. al. The suit alleges that Stanford and its

affiliates are involved in "extortion" through demands from exorbitant and fraudulent medical bills. The complaint also alleges that Stanford and its affiliates habitually and egregiously upcoded and double billed for the medical care of a very young child. The suit seeks to hold Stanford accountable for its "unlawful, and unconscionable behavior" in connection with alleged frankly fraudulent medical charges submitted for the care of a young child.

But the lawsuit seeks more than that- it also pleads relief from the court for "others who are similarly situated" pursuant to California statutes which allow the same. The complaint alleges that although Stanford had already billed and been paid for \$1.3 million for services rendered at Stanford to just one child, Stanford Children's Hospital suddenly demanded an additional \$4,605,066.26 for the treatment of the same child. The suit states that Stanford as a tax advantaged "non-profit", took further advantage of its financial privileges by charging "unlawful and duplicate charges" for this pediatric care which resulted in false and fictional charges for over \$6 million in total.

The allegations of unlawful unbundling and upcoding at Stanford's Children's Hospital, and in many cases double and triple billing for the same services are nearly identical to the allegations in the lawsuit filed on behalf of the Government against Stanford in Federal Court. The Federal court pleadings allege that "Stanford is not a prototypical "non-profit". Stanford is very profit



Department of Justice Filed its Second Statement of Interest in Stanford Medicare Fraud Lawsuit

driven- indeed it prides itself on billing high and maximal at all costs. Despite its not-for-profit basis, Stanford consistently ranks as of the top five earning hospitals in the nation, earning \$9.4 billion at relevant times in its hospital alone. Stanford more than doubled its Medicare annual revenues from 2012 to 2016, without a corresponding or explainable increase in Stanford's bed count, staffing, or overhead. And Stanford's disproportionate revenue escalation has only intensified from 2017 onward. Stanford achieves these astonishing profits because it extracts far greater gains from the Government, than conventionally operating hospitals. Medicare's payment systems are relatively weak, and riddled with loopholes which can be circumvented by certain electronic medical record business algorithms—and Stanford knew this. Stanford further receives more federal stimulus money than any hospital system in California, production payments which are based on Stanford's voluminous false claims. "

The Wonderful Company's suit alleges that Stanford's billing fraud is not just limited to Medicare patients, but egregiously extends to Stanford Lucile Packard Children's Hospital. The State suit alleges that Stanford and its affiliates have engaged in a multi-year long commercial and private insurance fraud in excess of multi-millions of dollars, primarily against infants and children.

And these lawsuits and healthcare billing fraud allegations both as to Stanford children and Medicare patients really make sense. According to a study published by the journal Health Affairs in 2016, Stanford Hospitals and Clinics in Palo Alto consistently ranks as one of the top 5 most profitable hospitals in the United States. That same years, the majority of U.S. hospitals lost money caring for patients.

Multiple employment and wrongful termination lawsuits for whistleblowing employees against Stanford Hospital, University Healthcare Alliance, and Stanford University have been filed like [Young vs. Stanford \(RG17-877055\)](#) in the Alameda County Superior Court, Gaines vs. Stanford (3-16-02381) in California Federal Court, and others. The law not only has built-in protections for whistleblowers, which prohibits retaliation by employers, but 31 U.S.C. section 3279 also mandates a monetary award of a percentage of any recovery by the Government which results from a whistleblower's insider information of fraud on the Government.

There are very specific rules for how the "original source information" is brought to the Government's attention, and these require typically a special lawsuit called a qui tam action filed by the whistleblower. If the information is however publicly disclosed, then that alone may disqualify the whistleblower from receiving an award.

The Law Offices of Gloria Juarez represent the interests of whistleblowers on behalf in the United States vs. Stanford HealthCare. Ms. Juarez's firm has a special interest in prosecuting false claims act cases on behalf of the Government- both State and Federal, and uncovering [Stanford billing fraud](#). The Law Firm commented that it is really only through the ongoing dedication, and courageous whistleblowing and voluntary outreach from Stanford insiders like its former employees, billers, and coders that Stanford's fraudulent healthcare scheme will be fully uncovered and finally brought to justice.

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