

MRI Kickback Settlement

MIDI, LLC, operator of 14MRI centers in the Chicago area, has settled a lawsuit, alleging illegal kickbacks to physicians, for \$1.2 million dollars. Six other MRI centers named in the same lawsuit have already settled. The civil lawsuit, filed in 2007 by a competing MRI clinic, claimed that the MIDI affiliated MRI centers violated the Illinois consumer Fraud and Deceptive Business Practices Act, as well as state anti-kickback laws. Under Illinois' whistle blower law, the competing MRI clinic will receive an undisclosed percentage of the settlement.¹

The whistleblower suit claimed that the MRI centers created sham lease agreements with physicians under which the doctors charged a lower rate for MRI scans while charging the insurance companies a much higher rate, and pocketing the difference.²

While MIDI, LLC reached a settlement of \$1.2 million, the company admits no wrongdoing and indicated that the settlement was reached to avoid the costs of a lengthy investigation and ongoing litigation.³ The settlement requires MIDI to cease their current "kickback" practices, as well as pay a fine for \$1.2 million that will cover money damages, restitution, and penalties.⁴ The Ste of Illinois will receive approximately \$840,000, which will be used to provide grants to increase healthcare access to low-income residents in Illinois.⁵

Attorney General Lisa Madigan stated that the lawsuit, which has been watched closely by professionals in the

radiology field, "*Sends a strong message that medical professionals cannot engage in schemes to line their pockets, at the expense of providing the best patient care.*" Madigan also stated that, following this lawsuit, patients should feel confident that when they are sent to receive an MRI scan it is because it is medically necessary.⁶

¹ "MRI Centers to Settle Illegal Kickback Case," By Bruce Japsen, Chicago Tribune, January 14, 2009, <http://www.chicagotribune.com/business/chi-biz-mri-kickbacks-jan14,0,1026976.story> (Accessed 1/14/09)

² "Attorney General Madigan Settles MRI Kickback Case for \$1.2 million," Illinois State Attorney General, Press Release, January 14, 2009, http://www.ag.state.il.us/pressroom/2009_01/20090114.html

³ "MRI Centers to Settle Illegal Kickback Case," By Bruce Japsen, Chicago Tribune, January 14, 2009, <http://www.chicagotribune.com/business/chi-biz-mri-kickbacks-jan14,0,1026976.story> (Accessed 1/14/09)

⁴ "Attorney General Madigan Settles MRI Kickback Case for \$1.2 million," Illinois State Attorney General, Press Release, January 14, 2009, http://www.ag.state.il.us/pressroom/2009_01/20090114.html

⁵ "Attorney General Madigan Settles MRI Kickback Case for \$1.2 million," Illinois State Attorney General, Press Release, January 14, 2009, http://www.ag.state.il.us/pressroom/2009_01/20090114.html; "MRI Centers to Settle Illegal Kickback Case," By Bruce Japsen, Chicago Tribune, January 14, 2009, <http://www.chicagotribune.com/business/chi-biz-mri-kickbacks-jan14,0,1026976.story> (Accessed 1/14/09)

⁶ "Attorney General Madigan Settles MRI Kickback Case for \$1.2 million," Illinois State Attorney General, Press Release, January 14, 2009, http://www.ag.state.il.us/pressroom/2009_01/20090114.html; "MRI Centers to Settle Illegal Kickback Case," By Bruce Japsen, Chicago Tribune, January 14, 2009, <http://www.chicagotribune.com/business/chi-biz-mri-kickbacks-jan14,0,1026976.story> (Accessed 1/14/09)



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Mr. Cimasi is the author of numerous additional chapters in anthologies; books, and legal treatises; published articles in peer reviewed and industry trade journals; research papers and case studies; and, is often quoted by healthcare industry press. In 2006, Mr. Cimasi was honored with the prestigious *“Shannon Pratt Award in Business Valuation”* conferred by the Institute of Business Appraisers. Mr. Cimasi serves on the Editorial Board of the Business Appraisals Practice of the Institute of Business Appraisers, of which he is a member of the College of Fellows.



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