

## Suits throw light on MRIs

*As imaging procedures soar, some providers come under scrutiny*

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### Document Text

Dr. Fred Steinberg, a prominent Boca Raton radiologist and imaging center operator, allegedly made a Florida chiropractor a lucrative offer back in April 2000: Pay as little as \$400 for every basic MRI done at his facility, bill insurance companies up to \$2,300 and pocket the difference.

That deal had the potential to be worth more than \$30,000 a month for the chiropractor, who under a lease agreement would be allowed up to 20 high-resolution scans. But Steinberg, owner of University MRI & Diagnostic Imaging Centers, offered it with a note of caution: "This rate is below our usual rate and I need you to keep this confidential," he wrote to the chiropractor.

The promise of such profits, outlined in a federal lawsuit against Steinberg and his companies, reflects a quiet and potentially troubling aspect of what is believed to be one of the fastest growing health-care services in the United States.

U.S. doctors ordered more than 400 million imaging procedures, mostly MRIs, last year, up more than 40 percent from 281 million in 2000. But prosecutors, lawmakers and other critics say it is hard to tell how much of that growth is based on legitimate need in a business model that is based on referrals, shrouded in the privacy of doctor-patient relationships and billed to insurance plans that often insulate patients from the real cost.

The allegations in the federal case against Steinberg are similar to civil claims brought in a suit naming more than 20 MRI operators in the Chicago area. In January Illinois Atty. Gen. Lisa Madigan said the state would join the suit, outlining an alleged scheme in which local radiology centers won referrals for MRIs by paying illegal kickbacks to doctors.

Steinberg would not comment on the Florida case and is "cooperating with the government's inquiry," his Washington attorney, Eric Dubelier, said.

"I am not sure anybody knows the scope of [the problem]," said Dr. David Levin, a radiologist at Thomas Jefferson University Hospital in Philadelphia. "It's big."

Levin is co-author of a 2004 Journal of the American College of Radiology study that found an estimated \$16 billion in diagnostic imaging was unnecessary and was ordered by doctors who made money by performing the procedures themselves.

Beyond cost, there are also public health issues and worries about the quality of scans. Some observers are concerned about rare, but potential, health risks for patients who may be unnecessarily exposed to dyes used to enhance quality of pictures in an otherwise uninvasive test.

In an MRI, which stands for magnetic resonance imaging, radio waves and powerful magnets are used to construct three-dimensional images of internal organs and tissue from outside the body.

Prosecutors say the lease deals mask kickbacks and violate the federal Stark anti-kickback laws that make it illegal for physicians to be paid for referring patients for treatment.

Though MRIs were performed at radiology centers, the lease deals made it appear as though the doctors were in charge of the equipment and billed the services as their own, according to the Illinois suit. The attorney general's office alleged that the centers concocted "sham 'lease' agreements" to benefit the doctors, who boosted referrals to the centers, sometimes for unnecessary tests.

The widening net by state and federal prosecutors has MRI center operators, doctors and others who lease scanning equipment worried. Legal analysts say these operators are taking advantage of laws that allow almost anyone to operate a center as long as a physician refers to the facility.

Current laws allow doctors to have a scanner in their office if it is ancillary to their practice, such as a surgeon who wants an MRI readily available for his patients.

But the referring physician cannot have an ownership interest in a center outside of his office because of the potential temptation to make inappropriate referrals and overuse the service, legal analysts say.

Radiological societies say they have concerns about loopholes in current laws and have pushed Congress to close them but little has been done. Doctors also say physicians are lured into arrangements by lawyers who entice them into such lease arrangements as a way to make more money.

"Our main concern is that a lot of unnecessary imaging has been done and that does not help," said Dr. Carl Kalbhen, president of the Chicago Radiological Society. "The in-office ancillary exemption reminds me of Illinois gaming laws where it is legal to have a casino on a boat that is on the water but not on land."

The case brought by the Illinois attorney general will likely expose physicians to the kind of scrutiny faced by Steinberg in Florida.

Neither the U.S. attorney's office in Miami nor the radiologist who originally filed the suit would comment.

Sources close to Madigan's investigation say physicians are being interviewed and could potentially join the 11 companies operating more than 20 Chicago-area radiology centers already listed as defendants.

The alleged Illinois scheme, which potentially resulted in health insurers being billed fraudulently for millions of dollars in claims, was disclosed in a lawsuit kept under seal until Jan. 17.

It was originally filed in February 2006 by John Donaldson, the owner of a radiology service in Illinois, who had no comment, according to his lawyer, Anne Haule of Chicago law firm Ungaretti & Harris. The lawsuit alleges the defendants violated the Consumer Fraud and Deceptive Business Practices Act, Illinois' anti-kickback law and the Insurance Fraud Prevention Act.

It seeks an unspecified amount of restitution, damages and penalties.

The suit was kept under seal in Cook County Circuit Court while Madigan's office investigated and decided whether to intervene. According to the suit the scheme had been in place for 18 months prior to the suit being filed.

While the doctors under investigation for participating in the local lease deals remain a mystery, one radiology leader has some advice for consumers amid a climate of questionable practices.

"If indeed there is something rotten in the MRI scanning industry, the rot must be quickly removed," said Dr. Leonard Berlin, chairman of the radiology department at Rush North Shore Medical Center in Skokie and president of the Illinois Radiological Society. "I would suggest that when the doctor says, 'You need an MRI exam,' the patient should question the doctor by asking, 'Do I really need this examination?' And if, for any reason, the patient doubts the affirmative response, ask, 'Doctor, do you derive any financial benefit by ordering this test?'"

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**[Illustration]**

PHOTOS 2; Caption: PHOTO: An Open Advanced MRI facility on West Fullerton Avenue is part of a chain that the state is suing for alleged consumer fraud. Tribune photo by Nancy Stone PHOTO: Dr. Fred Steinberg, a Florida imaging center operator, is being sued by the U.S. government over an alleged kickback scheme.

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**Abstract (Document Summary)**

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