

Hospital aide ties to 2 clinics told

By Pamela Zekman and Gene Mustain

A top official of Community Hospital of Evanston had lucrative financial relationships with two medical clinics that supplied hundreds of the hospital's phony accident patients.

The acting hospital administrator, Sandra Foster, was a paid consultant to one clinic and part-owner of another that received \$2,000 monthly payments from the hospital.

U.S. postal inspectors and insurance investigators are seeking to determine whether the payments were a way of disguising kickbacks for hospitalizing unhurt patients to inflate insurance claims.

Evidence of the payments is being supplied by witnesses cooperating in a federal investigation of lawyers and medical personnel who conspire to defraud insurance companies. The investigation was prompted by the Sun-Times and WLS-TV (Channel 7) Accident Swindlers series.

Records show that Foster was a \$250-a-week consultant to Associated Physicians Clinics, 810 N. Clark, which, the series revealed, faked patient diagnoses and submitted fraudulent bills. The clinic is closed.

Foster also owns 49 percent of Omnicare Health Centre, 3125 N. Halsted, which, newly uncovered records show, received the \$2,000 monthly payments from the hospital—supposedly for copies of patient records.

An undercover nurse and a reporter posing as a patient found that almost all of the hospital's patients did not require hospitalization and that the hospital staff admitted it was unequipped to care for patients who actually were sick.

THESE DISCLOSURES led to the departure of the hospital administrator and the hiring of a new management firm that announced it was "turning over a new leaf" and appointed Foster acting administrator.

Leo F. Hickman, the former administrator, was paid \$65,000 a year, according to a 1978 Internal Revenue Service document—a salary that may have made him the highest paid administrator in the nation for a hospital with fewer than 50 beds. Hickman, the Sun-Times subsequently reported, owned a for-profit billing company that charged hospital doctors unusually high 50 percent bill-collection fees.

Although the hospital still admits some patients, its beds



SANDRA FOSTER: "My job is to keep the numbers up," she told an undercover nurse. (Sun-Times Photo by John H. White)

were emptied of accident patients after the Sun-Times-WLS series. In addition, the hospital's accreditation has been revoked pending an appeal and officials of the hospital has been called before the state Hospital Licensing Board in Springfield to defend its continued licensing.

As clinic coordinator of the hospital, Foster told the undercover nurse she had developed "affiliations" with at least 13 medical clinics since being hired in early 1978. She described her duties this way: "It all comes down to numbers. . . . My job is to keep the numbers up."

The newly discovered records, however, and interviews

with former clinic and hospital employees indicate that Foster had more than the hospital's interests in mind in her role as clinic coordinator.

BEGINNING AT LEAST in October, 1978, Foster went on the payroll of Associated Physicians. Most weeks she received \$250, but records show she occasionally received \$300 or \$500 a week.

Associated Physicians is a chain of clinics controlled by Dr. Ralph S. L. Miller, a chiropractor. A state panel has recommended that his license be revoked because of allegations that he sold drugs to an undercover policewoman.

Dozens of Chicago personal-injury lawyers sent their car and job accident clients to Miller, and investigators are studying a report that Miller himself received kickbacks from lawyers for those clients who landed in the hospital.

The Accident Swindlers series documented that at Miller's clinic at 810 N. Clark, another chiropractor invented neck and back injuries for an undercover reporter and admitted him to Community under the name of a doctor who never saw the reporter.

Later, the clinic charged the reporter \$382 for treatment never received and X-rays never taken. During a four-day stay in the hospital that cost \$852, the reporter's only treatment was to receive a hot-water bottle.

The Sun-Times-WLS series showed that the lawyers covered such unnecessary hospitalizations because they grossly inflated claims against insurance companies. Lawyers traditionally receive one-third of these settlements.

MILLER DESCRIBED Foster to clinic employees as a consultant and adviser, but former employees said Foster spent little time at the clinics although they did recall one example of her consulting work.

That was in February, 1979, when she conducted a seminar for all of Miller's employees aimed at improving management of the clinics.

One month later, Foster, podiatrist Dr. Robert W. Committo and a lawyer incorporated the other clinic, Omnicare Health Centre, with Foster and Committo each having a 49 percent interest, according to the minority partner.

Former employees of the clinic said it processed as many as 30 patients a day and sent them along to Community Hospital. Although a podiatrist, Committo himself examined many of the patients, including one of four undercover reporters.

Although that reporter said only that he felt "something" when the doctor twisted his neck sideways, and answered

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"no" to a long series of questions about pain, Committo offered to admit him to Community.

Records show the hospital paid exactly \$2,000 a month to Omnicare for "payment for submission of financial data and medical history" on patients the clinic had referred to the hospital. That amounted to about \$50 for each patient's records—and coincided with Foster's comment to one employee that the clinic got \$50 from the hospital for each referral.

Ordinarily, according to experts in the field, hospitals and other health-care organizations exchange copies of medical records at no charge. Even when there is a charge, it usually ranges from 50 cents to \$2 a page. Most of the records being sought would amount to no more

than five pages.

According to clinic and hospital employees, the records themselves were often incomplete, contradictory and so unreliable that hospital nurses would not depend on them.

According to state spokesmen, there are no hospital regulations that appear to address the propriety of such payments from hospitals to clinics.

However, a spokesman for the state Public Health Department said it would be one area of interest for members of the state hospital licensing board, which has scheduled a July hearing on Community's state license.

Last month, the state panel rebuked hospital board members for failing to attend the board's first scheduled meeting on Community. Foster, as acting administrator, did attend.

At that meeting, Foster refused to talk to a Sun-Times reporter attempting to ask questions about her relationship to Associated Physicians and to Omnicare.

However, when she was asked whether the hospital paid referral fees to her clinic, she said, "You can't do that. That's illegal."