

The Star-Ledger

TODAY'S FORECAST: Windy and cooler
with intervals of clouds and sunshine.

at 7 A.M.

55°

at 2 P.M.

57°

at 7 P.M.

49°

DETAILS,
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FRIDAY, NOVEMBER 17, 2006

THE NEWSPAPER FOR NEW JERSEY

2 alleged 'no-shows' to be fired at UMDNJ

Other MDs face pay cut in cardiology crackdown

BY JOSH MARGOLIN AND TED SHERMAN
STAR-LEDGER STAFF

The state's medical university plans to fire two cardiologists who allegedly were given no-show faculty jobs as part of a scheme to boost referrals to its heart surgery program and plans to cut the salaries of nine other doctors, according to an internal memo from the university president.

The cardiologist program, run by the University of Medicine and Dentistry of New Jersey, also is getting new work rules and will operate under far greater oversight to ensure that doctors are doing more for their salaries than simply referring patients, according to the memo obtained by The Star-Ledger.

"Let me emphasize that this is the first step, certainly not the last," UMDNJ's interim president, Bruce C. Vladeck, said in the memo, sent Wednesday to Robert Johnson, interim dean of the New Jersey Medical School in Newark. Vladeck yesterday declined comment on his memo.

The cardiology plan was first reported Nov. 5 in The Sunday Star-Ledger. That story found doctors were paid as much as \$150,000 a year for no work with the understanding that they would refer their patients to the surgery program. Eight days later, the federal monitor overseeing UMDNJ delivered a harsh review of the program, calling it "an illegal scheme to pay cardiologists for patient referrals." The monitor also said "the illegal activity persists to this day."

Federal statutes make it a crime to pay for patient referrals. The laws are designed to ensure that health care decisions are free from corruption and that doctors refer patients to the best places, regardless of their own financial gain.

The monitor, former U.S. District Judge Herbert [See UMDNJ, Page 14]

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UMDNJ

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University to fire 2 alleged 'no-shows'

J. Stern, alleged that over a four-year period, the university took in nearly \$36 million in illegal Medicare and Medicaid payments for 2,733 procedures on hundreds of patients. Meanwhile, the cardiologists drew payments of \$5.7 million. With fines and penalties, UMDNJ could be forced to pay back more than \$80 million to the federal and state governments.

The kickbacks were made in an effort to save the university's struggling cardiac surgery unit by boosting the number of surgeries, according to the monitor.

UMDNJ spokeswoman Anna Farneski said Vladeck issued his directive because "we are erring on the side of caution."

Vladeck's memo was included in an attachment spelling out a reorganization plan precipitated by the monitor's allegations. That plan lists the cardiologists involved in the program and those being terminated or whose salaries are being cut back.

The list shows that a total of four doctors who were part of the cardiology program are being dismissed, but Farneski said two of the dismissals were ordered in October as part of UMDNJ's budget cutbacks. Those two are Joven Dungo of Jersey City and Ravindra Patel of Old Bridge.

Farneski said Bakul Desai of Jersey City and Rakesh Sahni of Clark were going to be terminated as a result of the allegations raised by the monitor.

Most of the remaining doctors will have their salaries cut — in most cases, by more than half. Three of 17 doctors listed in the memo sustained no change in their pay rates.

Gov. Jon Corzine, who said Monday that any ongoing illegal activity should "cease and desist" was pleased with Vladeck's. Corzine spokesman Anthony Coley said.

Earlier in the day, the interim president issued an "urgent" e-mail to all employees and students, saying: "We will take any and all steps within our power necessary to comply with both the letter and the spirit of the law, and we will hold responsible individuals accountable for their actions."

In his report, Stern also contended that Vladeck intentionally misled his investigators and that UMDNJ had violated its agreement with federal prosecutors by failing to cooperate with the monitor's office during a five-month inquiry into the matter. Vladeck denied the accusation; he said he simply "missed" information about the problem.

He dealt with the Stern allegation again yesterday in the e-mail to employees.

"We were also particularly distressed by the report's assertions that individuals in leadership roles at UMDNJ, including me, had deliberately concealed or withheld information from the federal monitor," Vladeck said in the e-mail. "I know that I did not deliberately withhold anything, and I can't believe that any of my colleagues did either."

Without mentioning Vladeck's memo or the dismissals, UMDNJ board chairman Robert Del Tufo yesterday announced that a special board committee will review the monitor's findings. The committee will be led by state Health Commissioner Fred Jacobs, a nonvoting UMDNJ board member.

Stern declined any comment yesterday.

Josh Margolin may be reached at jmargolin@starledger.com or (609) 989-0267. Ted Sherman may be reached at tsherman@starledger.com or (973) 392-4278.