



United States v. Vargo (D. Mont.)

Topics Covered: Abusive Litigation Against Physicians, Fraud and Abuse

Outcome: Somewhat Favorable

Issue

The issue in this case was whether a physician had knowingly over-billed for medical services.

AMA Interest

The AMA strives to avoid the expansion of liability theories against physicians, which can lead to overzealous and abusive litigation.

Case Summary

This civil False Claims Act case contended that Dr. Patsy Vargo knowingly over-billed the United States Air Force for medical services performed on an independent contractor basis for four years. The United States previously had brought a criminal suit against Dr. Vargo for the same activities, but voluntarily dropped the criminal charges after it hired an independent medical expert, Dr. Glenn D. Littenberg, to review Dr. Vargo's records. Dr. Littenberg, a long time member of the AMA's Current Procedural Technology panel, determined that Dr. Vargo had complied with the regulations in effect and billed properly for her services.

In the civil suit, Dr. Vargo retained Dr. Littenberg as her expert, but the prosecution hired its own experts to oppose him. Dr. Vargo also obtained a number of written testimonials from physicians who worked with her and, in some cases, in more senior positions, while she rendered her services.

The case ultimately settled, pursuant to a confidential settlement agreement and an undisclosed payment from Dr. Vargo.

Litigation Center Involvement

The Litigation Center paid a small portion of Dr. Vargo's defense costs. Although the monetary contribution was modest, the Litigation Center wanted Dr. Vargo and others to know that her fellow physicians supported her.