



January 14, 2009

ATTORNEY GENERAL MADIGAN SETTLES MRI KICKBACK CASE FOR \$1.2 MILLION

Settlement Would End Kickback Practice

Chicago — Illinois Attorney General Lisa Madigan has reached a settlement with a group of fourteen Illinois radiology centers that allegedly paid illegal kickbacks to doctors in exchange for referrals. The settlement, entered in court today, is the result of a lawsuit filed by the Attorney General in 2007 and requires the defendants to stop paying the illegal kickbacks and to pay money damages, restitution and penalties.

Under the settlement, MIDI, LLC and fourteen Open Advanced MRI centers will pay a total of \$1.2 million to settle the State's lawsuit. The State's share - \$840,000 - will be distributed in grants to benefit low income persons in need of health care services. The settlement also explicitly prohibits the radiology centers from operating under any kickback agreements with referring physicians in Illinois.

"When patients are referred to MRI facilities, they should be able to feel confident that the referrals were made for medical reasons only," Madigan said. "This settlement 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 said.

In 2007, Attorney General Madigan intervened in a lawsuit against various radiology centers and then filed an amended complaint against the centers. The lawsuit alleged that the radiology centers entered into sham "lease" agreements with doctors under which the doctors paid a reduced rate for MRI and CT scans, charged the patient's insurance carriers a higher rate, and then pocketed the difference. The lawsuit asserted that the defendants' actions violated the Consumer Fraud and Deceptive Business Practices Act, as well as Illinois' anti-kickback law, the Insurance Claims Fraud Prevention Act.

The 14 Open Advanced MRI Centers involved in this settlement are:

1. Open Advanced MRI of Chicago (150 North Michigan Avenue, Chicago)
2. Open Advanced MRI of Tinley Park (Tinley Park, IL)
3. Open Advanced MRI of Crystal Lake (Crystal Lake, IL)
4. Open Advanced MRI of Round Lake (Round Lake Beach, IL)
5. Open Advanced MRI of Plainfield (Plainfield, IL)
6. Open Advanced MRI of Lincoln Park (1355 W. Fullerton, Chicago, IL)
7. Open Advanced MRI of Deer Park (Deer Park, IL)
8. Open Advanced MRI of Skokie (Skokie, IL)
9. Gold Coast MRI at Washington Square (Chicago, IL) (facility is now closed)
10. Open Advanced MRI of North Shore (Skokie, IL) (facility is now closed)
11. Open Advanced MRI of Oak Brook (Westmont, IL)
12. Open Advanced MRI of Schaumburg (Schaumburg, IL)
13. Advanced Imaging of Deerfield (Deerfield, IL) (facility is now closed)
14. Open Advanced MRI of Wheaton (Wheaton, IL)

In addition to the MIDI settlement, Madigan has settled with five other imaging companies.

Assistant Attorneys General Janet Doyle and Dalila Bentley of the Special Litigation Bureau are handling the case for Madigan's office.

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