

Astoria man part of drug testing lab kickback scheme

By **PAUL ROBERTS**
Seattle Times

SEATTLE — A Tacoma, Washington, based drug testing laboratory is part of a nearly \$12 million federal settlement over an alleged kickback scheme involving urine tests and a physician-owned laboratory in Bellevue.

Cordant Health Solutions, a Denver-based toxicology testing firm with a facility in Tacoma, will pay \$11.9 million to settle federal allegations that it funneled illegal

kickbacks to Northwest Physicians Laboratories of Bellevue, the U.S. Attorney’s Office in Seattle announced.

Northwest Physicians Laboratories, which was owned by several physicians and other investors, treats patients for pain management and often needs urine tests to monitor patients’ use of opioids and other drugs, federal officials said.

Because federal law prohibits physicians from using their own testing labs for their Medicare and other federally insured patients,

Northwest Physicians Laboratories was required to contract its testing work to other labs.

From January 1, 2013, to July 31, 2015, Cordant paid Northwest Physicians Laboratories a large monthly fee to run those tests in Cordant’s labs in Tacoma and in Denver, and then billed the federal government for the services, according to the settlement. According to federal documents, Cordant paid about \$3.4 million in kickbacks.

Cordant, which is the

operating name for Sterling Reference Laboratories, had a similar arrangement with a Tennessee-based facility, Genesis Marketing Group, according to the settlement.

Prosecutors said those payments violated the Anti-Kickback Statute and the False Claims Act.

“The government alleged that the Cordant organization paid millions of dollars to buy referrals at the expense of the nation’s taxpayers,” Steven Ryan, special agent in charge for the Department of Health and Human Services’

Office of Inspector General, said in a statement.

Under the settlement, Cordant doesn’t admit to any wrongdoing. In a statement, it said the settlement “reflects the company’s desire to put the matter behind it and avoid the expense of further litigation.”

The settlement, which was finalized last week, follows December’s criminal indictments of Northwest Physicians Laboratories and three of its executives for conspiracy to pay and solicit kickbacks in their dealings with

several urine testing labs, the U.S. Attorney’s Office said.

The three executives — Jae Lee and Kevin Puls, both of Bellevue, and Richard Reid, of Astoria — are scheduled to stand trial in 2021.

In December’s indictment, federal officials said Northwest Physicians Laboratories received \$450,000 in kickbacks from another laboratory, Vancouver-based Molecular Testing Labs, which then billed federal government more than \$2 million in testing fees.

Schools: Parents reported mixed results with distance learning

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She expects to supplement with tutoring by friends who work in education. One of her children is happy to learn online, but the other wants more one-on-one interaction.

“I feel like everybody’s going to have to juggle in some way,” Norgaard said.

Still, she is confident the school district is working hard to make the change as painless as possible for parents.

“I’m really hopeful,” she said.



Hailey Hoffman/The Astorian

Students in Astoria will start the school year remotely from home.

In discussions among parents on social media, families are weighing their options. Some, because of their work schedules or personal preferences, are looking at home schooling or collaborative learning pods.

School district administrators had hoped to offer a mix of distance learning and in-person classes in September, but Hoppes said several factors caused him and others involved in planning a return to school buildings to reconsider. The challenges included the rise of coronavirus cases in the community, the limited substitute teacher pool and the number of staff who are considered high risk or have high-risk family

members.

Other school districts on the North Coast have been planning hybrid models that incorporate both in-person classes several days a week and distance learning. Their blueprints need to be submitted to the Oregon Department of Education before Aug. 15.

The state has given school districts leeway in crafting individual reentry plans, but official guidance on the particulars changes often as the

pandemic continues.

The distance learning model the Astoria School District plans to roll out will look very different from the one students encountered in the spring, Hoppes said, noting that the district had very little time to prepare the first model.

Parents reported mixed results with distance learning earlier this year.

Students and teachers have not met in-person since

mid-March. When schools closed for what ended up being the rest of the school year on March 13, Hoppes said the school district planned for students to return in the fall.

But, he told the school board members Thursday, “As you know, just when we believe we have seen the peak of the outbreak, even locally, the virus seems to come back stronger, reminding us of how little con-

trol we have over the timeline as a district as well as a community.”

He and board members acknowledged distance learning is hard on families, especially working families who may struggle to find child care if school is not in session like normal.

Still, Hoppes added, “As the number of cases continues to grow, my concern for the health and safety of students, staff and families is growing. Something that I find most disturbing, in the current outbreak trends in particular, is the increasing number of cases we are seeing in our youngest populations.”

The school district hopes to gradually bring students and staff back into classrooms in October, depending on the course of the pandemic and state guidelines. Distance learning will continue to be available to families who want it regardless, Hoppes said, adding that some parents have told him they will not send their children back to classrooms until there is a vaccine available for the virus.

More than 140 people logged into the virtual board meeting Thursday, but the few people who took advan-

tage of a public comment period mostly had questions.

One woman wondered how the school district would provide Chromebooks and other devices to students who need them. Another hoped there could be some degree of case management to help students navigate distance learning issues.

“These decisions are hard,” said Grace Laman, the school board chairwoman, at the end of the meeting.

She and the other board members worry about students’ at-home and family situations, what support they have, and what the school district’s decisions will mean for their futures.

Laman thanked the children.

“It’s like the worst possible experiment that has ever been created,” she said of the situation they’re facing because of the coronavirus. “The worst-designed experiment ... It’s a rotten deal for them. I mean, it just is. And we’re trying our best to make the best of that rotten situation.

“So I want to thank the kids of our district for hanging in there, for being flexible, for being patient, for doing what they’re able to do at this time.”



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