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Rural hospital magnate convicted in insurance scheme

(KAIR)--A federal jury on Monday convicted Jorge Perez, a Miami businessman who masterminded the takeovers of rural hospitals in Missouri, Kansas and other states, of conspiracy to commit health care fraud following a 24-day trial in Jacksonville, Florida.

Kansas News Service reports the government charged that Perez and his brother, Ricardo Perez, fraudulently billed insurance companies \$1.4 billion, using the hospitals they acquired or managed, for laboratory testing services that were mostly performed by outside laboratories.

The 62-year-old Perez, and his associates targeted financially-ailing hospitals, including the one in Horton, whose insurance contracts provided for higher reimbursement rates for laboratory testing, according to the government. The scheme was designed to make it appear the hospitals themselves did the testing when, in the majority of cases, the testing was done by labs controlled by Perez or his business associates.

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