

BETH ISRAEL MEDICAL CENTER – MEDICAID FRAUD

Complete Timeline, Fraud Matters, Ownership, Closure, and 504 Democratic Club Information

I. Sources

[https://en.wikipedia.org/wiki/Beth_Israel_Medical_Center](https://en.wikipedia.org/wiki/Beth_Israel_Medical_Center)

[https://www.villagedemocrats.org/beth_israel_hospital_update](https://www.villagedemocrats.org/beth_israel_hospital_update)

<https://www.ourtownny.com/news/community-group-warns-of-dire-consequences-if-beth-israel-closes-draws-support-from-epstein-and-gonzalez-AE3107299>

<https://themidtowngazette.com/2024/10/beth-israel-hospital-awaits-closure-date-as-criticism-of-its-management-rises/>

<https://www.cbsnews.com/newyork/news/mount-sinai-beth-israel-hospital-closed/>

<https://www.justice.gov/usao-sdny/pr/manhattan-us-attorney-announces-295-million-settlement-hospital-group-improperly>

II. Beth Israel / Mount Sinai Timeline

1929

Beth Israel opened its major hospital building on First Avenue in Manhattan.

Before 2013

Beth Israel Medical Center was part of Continuum Health Partners, along with other New York hospitals.

July 2013

The boards of Mount Sinai and Continuum approved a combination agreement.

September 30, 2013

The merger was completed. Beth Israel became part of the newly created Mount Sinai Health System. This was a corporate merger, not a conventional purchase of the hospital for a cash price.

November 2013

Beth Israel Medical Center began operating under the name Mount Sinai Beth Israel.

May 2016

Mount Sinai announced that it intended to close the large Beth Israel hospital on First Avenue and 16th Street and replace it with a much smaller hospital, originally planned for about 70 beds.

June 2016

Mount Sinai began putting portions of the Beth Israel campus on the market. At the time, the hospital said the main hospital itself would not be sold until the replacement facility was built.

2016–2024

Mount Sinai progressively moved services, closed departments, and pursued redevelopment/sale of portions of the former campus.

December 16, 2024

Mount Sinai sold 317 and 321 East 17th Street for a combined \$34 million to entities associated with Joyland Management.

January 2025

A separate transaction involving 313–319 East 17th Street, another former Beth Israel property, was reported at approximately \$33.5 million, with Joyland Management identified as the buyer.

April 9, 2025

Mount Sinai officially closed the hospital on East 16th Street after receiving approval from the New York State Department of Health.

III. Ownership and Corporate Structure

1. 2013 — Mount Sinai acquired control of Beth Israel through the Continuum merger.

This is the major ownership change.

2. 2016 onward — Mount Sinai began redeveloping/selling pieces of the Beth Israel real-estate campus.

The actual property sales happened years after the healthcare-system merger.

And there is an interesting wrinkle: NY State documents still describe Beth Israel Medical Center as a nonprofit hospital, with Mount Sinai Hospital Group as its sole corporate member/parent, rather than describing it as a conventional privately purchased hospital.

IV. Fraud Investigations and Settlements

1991–2003 — Medicaid cost-report allegations

Beth Israel was accused of submitting inaccurate Medicaid cost reports during this period. A related federal case was filed in 2001, and the government later intervened.

2006 — \$73 million Medicare settlement

The federal government announced that Beth Israel paid \$73 million to resolve allegations involving false Medicare claims for 1992–2001.

2012 — \$13 million Medicare fraud settlement

On March 1, 2012, the U.S. Attorney announced that Beth Israel admitted to selectively increasing charges between 2002 and 2003 to obtain larger Medicare “outlier” payments. The settlement was \$13,031,355.

2013 — physician fraud investigation

A physician was charged after an investigation found he concealed approximately \$530,000 in insurance payments, depriving Beth Israel of about \$267,000.

2014 — Medicaid fraud case

On June 27, 2014, federal prosecutors filed a civil fraud lawsuit against Continuum Health Partners and Beth Israel concerning nearly \$1 million in improper Medicaid payments. The underlying claims were from 2009–2010, and Continuum became aware of the problem in late 2010/early 2011.

2016 — settlement of that Medicaid case

The case ended with a \$2.95 million settlement involving Beth Israel, Continuum, and St. Luke's-Roosevelt.

V. 504 Democratic Club

Publicly identified current/recent members and leadership

Mike Schweinsburg — President

Elisabeth Axel — First Vice President / Executive Committee

Ivan Alevante — Second Vice President

Matt Axel — Executive Committee

Chris Noel — Executive Committee; formerly president of the 504 Northstar Democratic Club

Rami Sigal — elected First Vice President in 2022

Phil Beder — publicly identified as a 504 Democratic Club member

Lenny Faziola — publicly identified as a member

Rory Mondschein — publicly identified as a member

Ibrahim Alevante — publicly identified as a member

VI. Political Figures Associated With the Club

Over its history, the club has also included or worked closely with numerous elected officials. Publicly documented names include:

Letitia James

Jerrold Nadler

Carolyn Maloney

Inez Dickens

Eliot Engel

Anthony Weiner

Melissa Mark-Viverito

Joan Millman

Scott Stringer

John Liu

Micah Kellner

Sylvia Friedman

Richard Gottfried

Gale Brewer

VII. Important Distinctions

There were multiple fraud investigations/cases involving Beth Israel Medical Center, so the year depends on which one is meant.

The documented record shows multiple separate fraud-related matters, rather than one continuous fraud investigation. The most significant institutional cases occurred before and after the 2013 merger, and the 2014 Medicaid lawsuit is particularly important chronologically

because the underlying claims were from 2009–2010, Continuum learned of the problem in late 2010/early 2011, and the federal lawsuit was filed in 2014, after the Mount Sinai–Continuum merger.

Being endorsed by the 504 Democratic Club, attending its events, or working with it does not necessarily mean someone is a formal member. Historical association and formal membership should therefore be kept distinct.

VIII. Fraud-Related Dates at a Glance

1991–2003 — Medicaid cost-report allegations

2001 — Related federal Medicaid case filed

2006 — \$73 million Medicare settlement concerning 1992–2001 claims

2012 — \$13.03 million Medicare settlement concerning 2002–2003 billing

2013 — Physician fraud investigation

2014 — Federal Medicaid fraud lawsuit concerning 2009–2010 claims

2016 — \$2.95 million Medicaid settlement

2013 — Mount Sinai–Continuum merger completed

2016 — Mount Sinai announces Beth Israel closure/redevelopment plan

2024–2025 — Portions of former Beth Israel campus sold

April 9, 2025 — Beth Israel hospital officially closed

IX. Original Source MaterialSource:

https://en.wikipedia.org/wiki/Beth_Israel_Medical_Center

https://www.villagedemocrats.org/beth_israel_hospital_update

<https://www.ourtownny.com/news/community-group-warns-of-dire-consequences-if-beth-israel-closes-draws-support-from-epstein-and-gonzalez-AE3107299>

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<https://actionnetwork.org/>

it and make a state-of-the-art healthcare network. And instead, the minute they walked in the door, they began dismantling,” said Mike Schweinsburg, president of the 504 Democratic Club, one of the organizations involved in the lawsuit.

Manhattan U.S. Attorney Preet Bharara said: “When Continuum learned that it had received over \$800,000 in potential overpayments from Medicaid in 2011, it had an obligation under the law to return those funds within 60 days. Instead, Continuum delayed repayment for more than two years and only fully repaid the Medicaid program in 2013. With this settlement, Continuum has made admissions and is paying \$2.95 million for its fraud on Medicaid.”

Hands Off Our Hospital!

Community Sues Mount Sinai



By Arthur Schwartz

