



# Department of Justice

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## **U.S. ATTORNEY ANNOUNCES SKILLED NURSING FACILITY FRAUD SETTLEMENT**

CHARLOTTE, NC - Senior Care Group, Inc. of Tampa, Fla. has agreed to pay the United States a total of \$953,375 to settle federal allegations that the company defrauded the Medicare program. Today's announcement was made by Anne M. Tompkins, U.S. Attorney for the Western District of North Carolina. The civil settlement follows a multi-year probe by the U.S. Department of Health and Human Services Office of Inspector General and the FBI into the nursing home company's billing practices.

The investigation began when the government received information which indicated billing fraud at two skilled nursing facilities the company owns, which are located in the mountains of western North Carolina. Those facilities are Sunrise Rehabilitation Center (formerly known as McDowell Nursing Center), located in Nebo, and Brookside Rehabilitation Center (formerly known as Yancey Nursing Center) located in Burnsville. Agents found a similar pattern of falsified rehabilitation records at both facilities.

Investigators found that Senior Care's rehabilitation contractor, Evergreen Rehabilitation, LLC, of Kentucky, placed intense management pressure on its employees to maximize billings. Evergreen billed for services that were unnecessary and then forwarded the billings for those unnecessary services to Senior Care. Senior Care, in turn, wrongfully billed those costs on to Medicare. Investigators found that Evergreen routinely instructed its employees to "get their numbers up" or else be fired. Investigators also found that Senior Care failed to adequately supervise its contractor.

As a condition of the settlement, Senior Care Group, Inc. was required to enter into a Corporate Integrity Agreement with the U.S. Department of Health and Human Services under which the company will be monitored for a period of five years to ensure that it does not commit fraud against government health programs again in the future.

The Medicare program was created by Congress in 1965. It pays for healthcare services for older Americans and for those who are disabled.

Skilled Nursing Facilities (SNFs) are specialized facilities with a professionally trained staff that provide medical treatment, continuous nursing, rehabilitation, and various other health and social services. They provide those services to patients who are not in an acute phase of illness, but who require care on an inpatient basis in lieu of hospital inpatient services.

The case was handled by Assistant United States Attorney Donald H. Caldwell, Jr.

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