

## Eli's Rehab Report

### Whistleblowers: Unnecessary Rehab Services Cost SNF Chain \$145 Million

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**Life Care Centers of America** and its owner have agreed to pay \$145 million to resolve claims that it billed for unnecessary rehab therapy services, the **Department of Justice** announced in a recent statement.

The DOJ suit stems from claims alleging that Life Care, which is based in Cleveland, Tenn., and owns and operates more than 220 skilled nursing facilities across the country, violated the False Claims Act by knowingly causing SNFs to submit claims to Medicare and TRICARE for rehabilitation therapy services that were "not reasonable, necessary or skilled." The agreement marks the largest settlement with an SNF chain in DOJ's history. Life Care will enter a five-year Corporate Integrity Agreement (CIA).

Life Care's company-wide policies between 2006 and 2013 caused the chain to increase Medicare billings to "Ultra High" status and to provide therapy to residents who no longer needed it, the DOJ alleges. "Ultra High" is the highest level of Medicare therapy reimbursement for SNFs, with patients requiring a minimum of 720 minutes of skilled therapy from two therapy disciplines – physical, occupational, speech – one of which must be provided five days a week, the DOJ said in its statement.

The two whistleblowers in the qui tam case – former Life Care employees **Tammie Taylor** and **Glenda Martin** – will receive \$29 million as part of the settlement.

**Note:** Read the DOJ announcement here:

<https://www.justice.gov/opa/pr/life-care-centers-america-inc-agrees-pay-145-million-resolve-false-claims-act-allegations>.