

JUSTICE NEWS

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Signature HealthCARE to Pay More Than \$30 Million to Resolve False Claims Act Allegations Related to Rehabilitation Therapy

Signature HealthCARE, LLC (Signature), a Louisville, Kentucky based company that owns and operates approximately 115 skilled nursing facilities, including 7 in middle Tennessee, has agreed to resolve allegations that it violated the False Claims Act by knowingly submitting false claims to Medicare for rehabilitation therapy services that were not reasonable, necessary and skilled, the Department of Justice announced today. The settlement also resolves allegations that Signature submitted forged pre-admission certifications of patient need for skilled nursing to the state of Tennessee's Medicaid program. Under the settlement agreements, Signature has agreed to pay more than \$30 million. As part of the resolution, the State of Tennessee will receive a portion of the overall settlement.

"Today's settlement demonstrates our continuing efforts to protect patients and taxpayer by ensuring that the care provided to beneficiaries of government-funded healthcare programs is dictated by clinical needs, not a provider's fiscal interests," said Acting Assistant Attorney General Chad A. Readler for the Justice Department's Civil Division. "Nursing home facilities provide important services to our elderly, and those facilities must uphold the trust placed in them by billing the government only for reasonable and necessary services."

The government alleged that Signature engaged in various practices that resulted in the submission of claims for unreasonable, unnecessary, and unskilled services to Medicare patients, including: (1) presumptively placing patients in the highest therapy reimbursement level, rather than relying on individualized evaluations to determine the level of care most suitable for each patient's clinical needs; (2) providing the minimum number of minutes required to bill at a given reimbursement level while discouraging the provision of additional therapy beyond that minimum threshold; and, (3) pressuring therapists and patients to complete the planned minutes of therapy even when patients were sick or declined to participate in therapy.

"Health care providers who engage in deceptive practices place patients at unnecessary risk and contribute to the financial distress of our federal healthcare programs," said U.S. Attorney Cochran for the Middle District of Tennessee. "Our dedicated teams of civil enforcement attorneys will work tirelessly with the relators who report fraud such as this and with our law enforcement partners who investigate healthcare fraud. When we determine that companies are cheating the taxpayers, we will hold them accountable as we have in this case."

"Our most vulnerable citizens are put at risk when healthcare providers put their financial interests above their patients' needs and valuable federal funds are diverted from where they are surely needed," said U. S.

Attorney Byung J. “BJay” Pak for the Northern District of Georgia. “This settlement demonstrates our commitment to pursuing healthcare providers who provide unnecessary care to advance their bottom line.”

“Signature was charged with illegally boosting profits by providing excessive amounts of therapy to patients whether they needed it or not,” said Special Agent in Charge Derrick L. Jackson for the U.S. Department of Health and Human Services, Office of Inspector General. “The decision to provide therapy should never be based on corporate financial considerations rather than a patient’s medical needs.”

The settlement resolves allegations filed in a lawsuit by Kristi Emerson and LeeAnn Tuesca, former Signature therapy employees, in federal court in Nashville, Tennessee. The lawsuit was filed under the *qui tam*, or whistleblower, provisions of the False Claims Act, which permit private individuals to sue on behalf of the government for false claims and to share in any recovery. The Act also allows the government to intervene and take over the action, as it did in this case. Ms. Emerson and Ms. Tuesca will receive a portion of the recovered funds.

The settlements were the result of a coordinated effort by the Civil Division of the Department of Justice, the United States Attorney’s Offices for the Middle District of Tennessee and the Northern District of Georgia, the Office of Inspector General of the Department of Health and Human Services, the Tennessee Bureau of Investigation, Department of Defense, Office of Inspector General, the Defense Criminal Investigative Service, and the Department of Health and Human Services, Office of the Inspector General. Trial Attorneys Christelle Klovers and Denise Barnes of the Civil Division of the Department of Justice, Assistant United States Attorney Sarah K. Bogni of the Middle District of Tennessee, and Assistant United States Attorney Lena Amanti of the Northern District of Georgia represent the United States. Assistant Attorney General Philip Bangle represents the State of Tennessee.

The case is captioned *United States ex rel. Emerson and Tuesca v. Signature HealthCARE, LLC, et al.*, Case No. 1:15-cv-00027 (M.D. Tenn.). The claims resolved by the settlements are allegations only, and there has been no determination of liability.

Topic(s):

False Claims Act

Component(s):

Civil Division

USAO - Georgia, Northern

USAO - Tennessee, Middle

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