

# Jonathan Rosenfeld's Nursing Homes Abuse Blog

## Medicaid Fraud Costs Nursing Home More Than \$375k

Posted by *[Jonathan Rosenfeld](#)* on December 15, 2010

[American Senior Communities](#) has agreed to pay \$376,432 under the terms of a settlement reached with Indiana Attorney General Greg Zoeller after it was discovered the company was engaging in Medicaid fraud.

The alleged fraud involved American Senior Communities submitting claims to Medicaid (a state program) on behalf of seven employees who were ineligible to participate in the Medicaid program due to their criminal histories. Federal law prohibits any health care providers from participating in the Medicaid or Medicare programs.

In addition to the significant fine, the company has also agreed to implement procedures to prevent these errors from occurring in the future.

### Healthcare Fraud

By some accounts, fraud in the Medicare and Medicaid programs costs taxpayers a whopping \$6 Billion every year! Obviously, the significant significant impact of healthcare fraud on our society can not be minimized. Fortunately, the government has created provisions of the False Claims Act (31 U.S.C. Section 3729) which provide a financial incentive for healthcare workers to report corporate healthcare fraud.

Jonathan Rosenfeld represents victims of nursing home abuse and neglect throughout the country. For more information please visit Nursing Homes Abuse Blog ([www.nursinghomesabuseblog.com](http://www.nursinghomesabuseblog.com)), Bed Sore FAQ ([www.bedsorefaq.com](http://www.bedsorefaq.com)) or call Jonathan directly at (888) 424-5757.

The False Claims Act empowers health care workers in nursing home or hospital settings to report fraudulent billing practices perpetrated by their corporate employers. In pursuing a claim under the False Claims Act, an employee who witness unlawful acts to bring a lawsuit against the perpetrating company on behalf of the government. The lawsuit is referred to as a Qui Tam action.

As an incentive to pursuing a Qui Tam lawsuit (whistle blower), a healthcare worker may be entitled to a substantial portion of the recovery related to the fraud. Similar to a plaintiff in a personal injury case, a nursing home worker may be entitled to 20–30% of the proceeds.

Unfortunately, as corporations continue to put their bottom lines ahead of ethical practices, healthcare fraud continues to be a part of some companies customary business practices.

Common examples of healthcare fraud include that may give rise to a cause of action under the false claims act include:

- Pharmacy Fraud
- Billing for services that were never provided
- Charging for services with a patient who was deceased or no longer a patient in the facility
- Inflating time sheets that do not accurately reflect the time spent with patients
- Using inferior medicine or medical equipment, yet billing the government for the premium services

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