

Jonathan Rosenfeld's Nursing Homes Abuse Blog

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[When The Going Gets Tough, Some Nursing Homes Turn To Medicare & Medicaid Fraud](#)

When it comes to boosting their bottom line, some nursing homes will stop at nothing-- including stealing from taxpayers. Because many nursing home patients are elderly or too frail to verify all the charges a nursing home submits to Medicare on their behalf, it is relatively easy for nursing homes to add extra charges for medical care and therapy without raising any eyebrows.

As taxpayers, we all should applaud situations when regulatory agencies are able to uncover fraud relating to Medicare and Medicaid. In this sense, I was happy to hear about the an investigation conducted by federal authorities and the Missouri Attorney General that resulted in large nursing home operator pleading guilty to fraud charges and paying substantial criminal penalties.

According to a news release from the Missouri Attorney General, Cathedral Rock has pleaded guilty to fraud charges stemming from improper Medicare billing and will pay \$1 million in criminal penalties and more than \$628,000 in civil penalties. At the time of the fraud, Cathedral Rock operated the following Missouri nursing homes: Spring Place Care Center, McLaren Care Center, Cathedral Gardens Care Center, Oak Forest Skilled Care Center, Blanchette Place Care Center and Heritage Park.

Perhaps more disturbing than the Medicare fraud, are the allegations that during the time Cathedral Rock was committing fraud, they were providing inadequate care to the patients in their facilities. According to the Missouri Attorney General, Chris Koster, the substandard care contributed to serious injuries and deaths of nursing home patients.

An e-mail obtained by the U.S. Attorney General during the investigation substantiates the companies misplaced priorities, "FTB (fill the beds) is everything," was what the e-mail from a Cathedral Rock regional vice president ordered to another company executive. "Whereas compliance is important and cost control is as well, CENSUS is to be your primary focus," the e-mail added.

Courageous Nursing Home Employees



Two nurses who worked at facilities operated by Cathedral Rock were courageous enough to report the fraudulent billing committed by the nursing home operator and will also recover money for their efforts under provisions of the False Claims Act ([31 U.S.C. Section 3729](#)).

The False Claims Act empowers nursing home employees to report fraudulent billing practices perpetrated by their employers. In fact, the government has put such a high priority on stopping Medicare Fraud that it allows employees 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.

When pursuing a Qui Tam lawsuit (whistle blower), a nursing home employee may be entitled to a substantial portion of the recovery related to the fraudulent billing practices. Depending on the circumstances and the government's role in the case, individual(s) responsible for bringing Qui Tam cases may personally be entitled to 20% to 30% of the total recovery.

Medicare Fraud is Widespread

By some accounts, more than 10% of the governments annual \$50 Billion in Medicare charges is misappropriated due to fraud!

Common examples of Medicare Fraud that have formed the basis for Qui Tam / Whistle-blower lawsuits include:

- Billing Medicare for services that were never provided
- Charging Medicare 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
- Billing more than once for the same service
- Offering free items or services in exchange for a Medicare or Medicaid number
- Waiving co-payments routinely
- Someone other than the physician completing the Certificate of Medical Necessity

If you work in a nursing home and have knowledge of fraudulent billing practices, you may be entitled to bring a cause of action against the facility. As long-time nursing home litigators, we can put our knowledge of internal nursing home operations to work for you.

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), Bed Sore FAQ (www.bedsorefaq.com) or call Jonathan directly at (888) 424-5757.

We would honor the opportunity to speak with you regarding your situation. As always, all of our consultations with perspective clients are free and completely confidential. (888) 424-5757.

Related:

[If I Work In A Nursing Home Where I Suspect Fraud, Can I File A Qui Tam or Whistleblower Lawsuit?](#)

[FALSE CLAIMS ACT CASES: GOVERNMENT INTERVENTION IN QUI TAM \(WHISTLEBLOWER\) SUITS](#)

[Attorney General News Release](#), Missouri Attorney General, January 7, 2010