

PRESS RELEASE

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NEWMAN LAW OFFICES ANNOUNCES SETTLEMENT NURSING HOME CHAIN  
SABER HEALTHCARE PAYS \$10 MILLION TO SETTLE FALSE CLAIMS ACT  
WHISTLEBLOWER CASE

The nursing home chain, Saber Healthcare Group LLC, and related entities, (Saber) have agreed to pay \$10 million settling a whistleblower case in which it is alleged that Saber violated the False Claims Act by knowingly causing certain of its skilled nursing facilities (SNFs) to submit false claims to Medicare for rehabilitation therapy services that were not reasonable, necessary, or skilled, the Department of Justice announced today. Saber Healthcare, based in Bedford Heights, Ohio, owns and operates SNFs in seven states.

The case was filed by three whistleblowers: Hope Wright, Laura Webb, and Deborah Edmonds, former Saber rehabilitation therapists and therapy managers. Wright, Webb, and Edmonds will receive \$1,750,000 from the settlement with Saber. All three hired and were represented by Attorney Jeffrey A. Newman of the Newman Law Offices, which is headquartered in Boston and Marblehead Massachusetts. His co-counsel was Paul Lawrence of Virginia of the firm Waters & Kraus.

The case was filed under the whistleblower provision of the False Claims Act, which permits private parties to file suit on behalf of the United States for false claims and to share in the government's recovery. The lawsuit was filed by Hope Wright, Laura Webb, and Deborah Edmonds, former Saber rehabilitation therapists and therapy managers. Wright, Webb, and Edmonds will receive \$1,750,000 from the settlement with Saber.

The whistleblowers and the Government alleged that Saber submitted false claims for rehabilitation therapy by engaging in a systematic effort to increase Medicare billings. Medicare reimburses skilled nursing facilities at a daily rate that reflects the skilled therapy and nursing needs of qualifying patients. The greater the patient's needs, the higher the level of Medicare reimbursement. The highest level of Medicare reimbursement for skilled nursing facilities is for "Ultra High" patients, who require a minimum of 720 minutes of skilled therapy from two therapy disciplines (e.g., physical, occupational, speech), one of which has to be provided five days a week.

The lawsuit alleged that Saber improperly established general goals that all patients should be provided with the Ultra High level of therapy, regardless of the patients' individual therapeutic needs, and enforced that expectation by pressuring therapists to provide Ultra High therapy to each patient at nine facilities. The United States further contended that Saber established uniform expectations for Ultra High therapy in facility budgets, pressured facility directors in weekly or daily calls to ensure therapists provided the Ultra High therapy to each patient, prevented therapists from providing lower levels of therapy minutes if, in the therapists' clinical judgment, a lower amount was warranted, caused therapists to report time spent on initial evaluations as therapy time in violation of Medicare policy, and caused therapists to report time spent providing unskilled services as time spent on skilled therapy.

The settlement covers conduct that occurred from Jan. 1, 2013 through March 31, 2017 at the following seven facilities – Chatham Health and Rehabilitation Center (Chatham, Virginia), Stratford Rehabilitation Center (Danville, Virginia), Azalea Health and Rehab Center (Wilmington, North Carolina), Emerald Health and Rehab Center (Lillington, North Carolina), Dunmore Healthcare Center (Dunmore, Pennsylvania), Amberwood Manor (New Philadelphia, Ohio), and Woodlands Health and Rehabilitation Center (Ravenna, Ohio) – and from March 1, 2016 through March 31, 2017 at the following two

additional facilities – Autumn Care of Altavista (Altavista, Virginia) and Waddell Nursing and Rehab Center (Galax, Virginia).

Saber has also entered into a five-year Corporate Integrity Agreement with the Department of Health and Human Services Office of Inspector General (HHS-OIG) that requires an independent review organization to annually assess the medical necessity and appropriateness of therapy services billed to Medicare.

The case is captioned United States ex rel. Wright et al. v. Saber Healthcare Holdings, LLC et al., Case No. 2:16-cv-640 (E.D. Va.).