

THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice

U.S. Attorney's Office

Eastern District of Pennsylvania

FOR IMMEDIATE RELEASE

Friday, May 21, 2021

Atlanta-Based National Chain of Skilled Nursing Facilities to Pay \$11.2 Million to Resolve Allegations of Providing Substandard Care, Medically Unnecessary Therapy Services

PHILADELPHIA – Acting United States Attorney Jennifer Arbrittier Williams announced that SavaSeniorCare LLC and related entities (Sava), have agreed to pay \$11.2 million, plus additional amounts if certain financial contingencies occur, to resolve allegations that it violated the False Claims Act by causing its skilled nursing facilities (SNFs) to bill Medicare for rehabilitation therapy services that were not reasonable, necessary or skilled, and to resolve allegations that Sava billed Medicare and Medicaid for grossly substandard skilled nursing services. Sava, based in Atlanta, Georgia, currently owns and operates more than 160 skilled nursing facilities across the country, including three facilities in Pennsylvania.

“Nursing home residents should not be at the mercy of nursing home operators that put their own economic gain ahead of the needs of the residents, and we will continue to aggressively pursue those operators who bill Medicare and Medicaid for substandard care,” said Acting U.S. Attorney Williams. “This settlement holds Sava accountable, and the resulting Corporate Integrity Agreement should ensure that Sava provides seniors with quality care and treats its residents with dignity and respect.”

This settlement resolves four False Claims Act lawsuits, one in the United States District Court for the Eastern District of Pennsylvania and three consolidated in the United States District Court for the Middle District of Tennessee. The lawsuits allege that Sava submitted false claims for rehabilitation therapy services by engaging in a systematic effort to increase its Medicare billings. Through corporate-wide policies and practices, Sava allegedly exerted significant pressure on its SNFs designed to meet unrealistic financial goals, resulting in the provision of medically unreasonable, unnecessary and unskilled services to Medicare patients. Sava allegedly set these aggressive, prospective corporate targets for the highest Medicare reimbursement rates to significantly increase Sava’s revenues without regard for its patients’ actual clinical needs and then pressured its staff to meet those targets. Sava also allegedly delayed discharging patients from its facilities in order to increase its Medicare payments, even though the patients were medically ready to be discharged.

This settlement also resolves allegations that between Oct. 1, 2008 and Sept. 30, 2012, Sava submitted false claims to Medicaid for coinsurance amounts related to rehabilitation therapy services for beneficiaries who were eligible for both Medicare and Medicaid.

In addition, this settlement resolves allegations that between Jan. 1, 2013 and Dec. 31, 2018, Sava submitted false claims for payment to Medicare and Medicaid for grossly and materially substandard and/or worthless skilled nursing services, which were caused in large part by Sava’s failure to provide a sufficient number of skilled nursing staff to adequately care for its nursing home residents. This failure of care allegedly resulted in preventable pressure ulcers, preventable falls, and preventable medication errors.

“Nursing home operators will be held to account when they put their own financial interests ahead of the needs of their residents,” said Acting Assistant Attorney General Brian M. Boynton of the Department of Justice’s Civil Division. “This settlement demonstrates the Department’s continued commitment to aggressively pursue those operators who bill Medicare and Medicaid for unnecessary and grossly substandard services and who fail to adequately care for the residents entrusted to their care.”

Under the settlement with the United States, and separate settlements with participating states, Sava has agreed to pay a total of approximately \$11.2 million, plus additional amounts if certain financial contingencies occur.

Contemporaneous with this settlement, Sava has also entered into a five-year, chain-wide Corporate Integrity Agreement (CIA) with the Department of Health and Human Services Office of Inspector General (HHS-OIG) that requires an independent organization to annually review patient stays and associated paid claims by Medicare for those stays, including provision of rehabilitation therapy services to ensure that they are reasonable and necessary to improve, maintain, or slow deterioration of the patient’s condition, or restore the patient’s prior level of function. In addition, Sava is required to engage an independent monitor to review the quality of resident care. CIAs promote compliance and protect vulnerable nursing home residents.

The matters were handled by U.S. Attorney’s Offices for the Eastern District of Pennsylvania and Middle District of Tennessee, the Civil Division’s Commercial Litigation Branch, and the HHS-OIG, with assistance from the U.S. Attorneys’ Offices of the Southern District of Texas and the Western District of Texas and the National Association of Medicaid Fraud Control Units. In the U.S. Attorney’s Office for the Eastern District of Pennsylvania, Assistant U.S. Attorney David A. Degnan, Assistant U.S. Attorney Gerald B. Sullivan, and Auditor George R. Niedzwicki handled the investigation and settlement.

The cases are captioned *United States, et al. ex rel. Doe, et al. v. SavaSeniorCare, Inc., et al.*, Civil Action No. 16-CV-0840 (E.D. Pa.); *United States ex rel. Hayward v. SavaSeniorCare, LLC, et al.*, No. 3:11-0821 (M.D. Tenn.); *United States ex rel. Scott v. SavaSeniorCare Administrative Services, LLC*, 3:15-0404 (M.D. Tenn.); and *United States ex rel. Kukoyi v. Sava Senior Care, L.L.C., et al.*, No. 3:15-1102 (M.D. Tenn.). The relator in the Eastern District of Pennsylvania action is represented by David T. Marks of Marks Balette Giessel & Young, P.C., Thomas Sheridan of Sheridan & Murray, LLC, and Joseph Trautwein of Joseph Trautwein & Associates, LLC.

The claims settled by this agreement are allegations only, and there has been no determination of liability.

Topic(s):

False Claims Act

Component(s):

USAO - Pennsylvania, Eastern

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