



DOJ and State of Nevada Join Whistleblower Lawsuit by The Terry Law Firm, Ltd., Hughes Socol Piers Resnick & Dym, Ltd., and The Cohen Law Group

Lawsuit alleges that Creekside Hospice II, LLC, Skilled Healthcare Group, Inc., & Skilled Healthcare, LLC defrauded Medicare and Medicaid by admitting ineligible patients, improperly billing for medical director's services, and submitting false claims for reimbursement

Las Vegas, December 2, 2014 – The United States and the State of Nevada have joined a *qui tam* whistleblower suit alleging that Creekside Hospice II, LLC (Creekside), a for-profit hospice in Nevada, its holding company, Skilled Healthcare Group, Inc. (SKG), which operates for-profit hospices and other health-care services in several states, and Skilled Healthcare, LLC (SKH), which provides administrative services to Creekside, submitted millions of dollars of false claims to Medicare and Medicaid. *See* United States' and the State of Nevada's Complaint in Intervention, Dkt. No. 52 (filed on November 25, 2014) in Case No. 2:13-cv-00167 (D. Nev.) (Complaint in Intervention).

Joanne Cretney-Tsosie, a clinical manager at Creekside, initiated this *qui tam* lawsuit under the provision of the False Claims Act that allows private citizens, also known as whistleblowers, to inform the government of fraud. The case was filed under seal in 2012 in the U.S. District Court in Nevada. Cretney-Tsosie is represented by The Terry Law Firm, Ltd. (Carson City, Nevada) and Hughes Socol Piers Resnick & Dym, Ltd. (HSPRD) and The Cohen Law Group (CLG) (both of Chicago, Illinois). HSPRD and CLG jointly handle false claims and *qui tam* cases as Whistleblower Advocates. The lawsuit alleges violations of the federal False Claims Act, the Nevada False Claims Act, and federal common law. The suit was first made public on November 25, 2014. *See* Complaint in Intervention.

Hospice companies such as Creekside receive Medicare and Medicaid dollars for hospice services provided to patients who are terminally ill. The government's complaint alleges that with SKG's and SKH's knowledge and encouragement, Creekside employed a variety of illegal practices to drive up hospice admissions without regard to medical necessity or the eligibility requirements for hospice care. The complaint further alleges that Creekside regularly ignored concerns expressed by its own doctors and nurses regarding patient eligibility and that the defendants altered patient records to falsely create the appearance that eligibility requirements had been satisfied. In addition, the complaint alleges that in order to receive higher Medicare and Medicaid reimbursements, Creekside used billing codes that resulted in higher payments than were justified by the services provided. *See* Complaint in Intervention.

In a statement issued on November 25, 2014, Acting Assistant Attorney General for the Civil Division Joyce R. Branda said: "The Medicare hospice benefit is intended to provide pain management and other palliative care to patients nearing the end of life, to help make them as comfortable as possible." Ms. Branda added that the Department of Justice "will take swift action to protect taxpayer dollars and make sure that Medicare benefits are

available to those who truly need them.” <http://www.justice.gov/opa/pr/united-states-files-false-claims-act-lawsuit-against-las-vegas-hospice-and-related-entities>.

Creekside received over \$70 million in payments from Medicare and Medicaid from April 2010 through March 2013. *See* Complaint in Intervention. SKG is a holding company that owns subsidiary companies that operate approximately 72 skilled nursing facilities and 22 assisted living facilities across the United States, and provide hospice care and home health services in Arizona, California, Idaho, Montana, Nevada, and New Mexico. In 2013, SKG earned nearly \$850 million in total revenue, with approximately 62% of its revenue derived from Medicare and Medicaid payments. *See* SKG’s United States Securities and Exchange Commission Form 10-K for Fiscal Year 2013, available at www.sec.gov.

United States ex rel. Cretney-Tsosie v. Creekside Hospice II, LLC, et al. is pending in the United States District Court in Nevada. The case number is 2:13-cv-00167. The claims asserted against Creekside, SKG and SKG are allegations only and there has been determination of liability.

For more information, please contact Timothy Terry of The Terry Law Firm at 775.883.2348 or Juliet Berger-White of Hughes Socol Piers Resnick & Dym, Ltd. at 312.604.2616.