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For Immediate Release

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Catholic Health Agrees to Settlement in Medicare Billing Case

Catholic Health has agreed to settle a lawsuit alleging the health system provided Medicare and Medicaid patients medically unnecessary physical and occupational therapy services. The suit involved services provided during the years 2007 through 2014 at three Catholic Health subacute rehabilitation facilities – Father Baker Manor, McAuley Residence, and St. Francis Home. In agreeing to the settlement, Catholic Health has admitted no liability or wrongdoing.

The government’s case was based on findings of alleged overutilization in a small sample of cases. The government also relied on statistics indicating that rehabilitation services utilization at Catholic Health sub-acute rehabilitation facilities exceeded national averages. Determinations of the medical necessity of therapy services made years after care was provided are highly subjective, and Catholic Health does not agree with the government’s conclusions concerning the medical necessity of rehabilitation services provided at its facilities.

Catholic Health maintains that therapy was provided pursuant to physician approved and monitored plans of care. Moreover, Catholic Health maintains that while its rehabilitation patients received more intense therapy on average than patients at other facilities, its patients’ stays were significantly shorter than national averages – meaning the more intense level of therapy services resulted in Catholic Health patients returning home faster.

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Catholic Health cooperated fully throughout the government’s three year investigation. Litigation of this matter would have gone on for years and consumed substantial internal and external resources. By agreeing to resolve this matter now, Catholic Health will instead direct those resources to continuing to provide patients the highest level of care.

“These allegations were never about the quality of care or the outcomes our patients achieved,” said Leonardo Sette-Camara, Corporate Compliance Officer for Catholic Health. “We believe the care provided was appropriate and enabled our patients to return home sooner than if they had received less intense therapy. Defending these types of subjective allegations of overutilization, however, requires an unsustainable and ultimately unacceptable allocation of financial and personnel resources.”

Since the timeframe in question, Joyce Markiewicz was named President & CEO of Home & Community Based Care for Catholic Health in 2014. Upon taking over responsibility for the health system’s skilled nursing and subacute rehabilitation facilities, Markiewicz conducted a thorough review of each facility’s performance, improving processes and increasing management oversight to ensure they provide the highest quality care and service.

Notably, Medicare’s Nursing Home Compare, which rates facilities on a variety of quality measures, currently awards both McAuley Residence and Father Baker Manor 5-star overall ratings, the highest rating possible. (St. Francis Home was sold in 2015 and is no longer part of Catholic Health).

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