

Nursing home therapy provider settles lawsuit for \$125M

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Federal prosecutors say the nation's largest nursing home rehabilitation therapy provider has agreed to pay \$125 million to resolve a lawsuit that alleged it knowingly had nursing homes submit false Medicare claims.

The U.S. attorney's office in Boston says RehabCare and four nursing facility operators submitted Medicare claims based on [therapy](#) services that were "unreasonable, unnecessary ... or that never occurred."

The nursing home operators agreed to pay an additional \$8 million.

RehabCare is now part of Louisville, Kentucky-based Kindred Healthcare.

The government's complaint alleges among other things that RehabCare reported that therapy had been provided to patients who were asleep or unable to benefit.

The settlement is not an admission of wrongdoing.

The government investigation was prompted by whistleblowers.

Calls to Kindred Healthcare on Tuesday were not immediately returned.

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