



News Release

Attorney General Robert E. Cooper, Jr.

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Wayne County Nursing Home Settles TennCare Overcharge Allegations

Tennessee Attorney General Bob Cooper has reached an agreement with Wayne County Nursing Home, which is alleged to have overbilled TennCare for alleged excessive employee bonuses.

Wayne County Nursing Home, Administrator Alice Wright, and former Administrator Herbert Brewer have collectively agreed to pay \$200,000 to settle claims that the nursing home overcharged TennCare by paying excessive employee bonuses. The bonuses equaled 22 percent of the employees' annual salary in 2003, and 40 percent of employees' annual salary in 2004. They were billed to TennCare through the nursing home's cost reports.

"State law requires that employee bonuses be reasonable," said Attorney General Bob Cooper. "The bonuses in this case, which totaled over \$1.3 million, were excessive."

The nursing home also settled allegations that it failed to list sources of income on its cost reports, as required by state law. The \$200,000 payment will be in addition to a payment made by the nursing home following a Comptroller's audit.

This settlement resulted from an investigation by the TennCare Provider Fraud Task Force, which includes the Tennessee Attorney General's Office, the Tennessee Bureau of Investigation Medicaid Fraud Control Unit, and TennCare. The United States Attorney's Office for the Middle District of Tennessee also assisted in the investigation and the resulting negotiated settlement.