



**Justin P. Wilson, Comptroller**

September 21, 2016

**Nursing Home Owner Bills Medicaid for Personal Expenses**

*Money Spent on Entertainment, College Tuition, Western Wear, Restaurants, Etc.*

Mabry Healthcare & Rehab Center in Gainesboro, Tennessee included more than \$2 million of non-allowable expenses on its annual Medicaid cost reports, which were used to calculate the nursing facility's reimbursement rates. This amount included money that was spent for the personal benefit of the owner and her immediate family members.

Comptroller auditors discovered that Mabry Healthcare included personal expenses and expenses unrelated to resident care on the facility's cost reports for five consecutive years. These expenses included hundreds of thousands of dollars spent at discount stores, restaurants, home improvement stores, furniture stores, department stores, beauty and nail salons, etc.

Auditors determined that Mabry Healthcare also claimed for reimbursement \$322,500 paid to a business run by the owner's husband, \$33,162 spent on college tuition and books for the owner's daughter, and \$1,184 used for the owner's daughter's wedding.

Other non-allowable expenses included \$176,619 in gift card purchases and activation fees, \$81,070 in personal legal expenses, and \$92,308 in personal or unsupported travel expenses.

Auditors also reported that Mabry Healthcare inappropriately charged its residents for haircuts, shampoos and diapers, which are Medicaid-covered services and items.

Auditors have adjusted the facility's reimbursement rates and determined that Mabry Healthcare owes the State of Tennessee's Bureau of TennCare \$1,243,724.41. The facility also owes some of its residents \$16,632.43.

"It goes without saying that nursing homes should never claim personal expenses on a cost report," said Comptroller Justin P. Wilson. "State and federal tax dollars serve their highest use when they benefit the patients and residents in these facilities."

To view the audit report online, go to: <http://www.comptroller.tn.gov/sa/>

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