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HOME INSIDERS

THE FEDERAL WHISTLEBLOWER FILE · 2026 EDITION

# The Insider's Guide to Nursing Home Whistleblower Claims

What federal law allows — and what it protects — when a current or former employee reports Medicare or Medicaid fraud at a skilled nursing facility.

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**\$2.9B**

FY 2024 TOTAL FALSE CLAIMS  
ACT RECOVERIES REPORTED BY  
THE U.S. DEPARTMENT OF  
JUSTICE.

**979**

QUI TAM LAWSUITS FILED BY  
WHISTLEBLOWERS IN FY 2024  
— A SINGLE-YEAR RECORD.

**15–30%**

STATUTORY RANGE OF THE  
RECOVERY A SUCCESSFUL  
RELATOR MAY RECEIVE.

## AN ORIENTATION

# A federal record year — built on insider knowledge.

In fiscal year 2024, the U.S. Department of Justice reported the highest single-year volume of whistleblower-initiated False Claims Act lawsuits in the statute's modern history. Many of those filings came from healthcare insiders — including current and former employees of skilled nursing facilities.

If you are a nurse, CNA, MDS coordinator, therapy clinician, billing or admissions employee, hospice or rehab contractor, or administrator at a nursing home, you have routine access to records that determine whether Medicare and Medicaid are billed honestly. The False Claims Act, 31 U.S.C. §§ 3729–3733, gives that inside knowledge a specific role in protecting public funds.

This guide describes what the statute says, what kinds of nursing home billing conduct have led to recoveries, how the qui tam process works, and what federal anti-retaliation protections cover employees who come forward. It is educational. It is not legal advice and does not create an attorney-client relationship.

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- 05 The qui tam process, step by step
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- 07 Practical considerations before speaking with anyone

"The False Claims Act and its whistleblower provisions remain a critical tool in protecting the public fisc and ensuring that taxpayer funds serve the purposes for which they were intended."

U.S. DEPARTMENT OF JUSTICE — FY 2024 FCA STATISTICS RELEASE

Source: U.S. Department of Justice, Office of Public Affairs, "False Claims Act Settlements and Judgments Exceed \$2.9B in Fiscal Year 2024."

FY 2024 IN FEDERAL RECOVERIES

# What the government collected — and what insiders made possible.

The False Claims Act is the federal government's primary civil tool for recovering money lost to fraud against federal programs. Healthcare fraud accounted for the largest share of FY 2024 recoveries, with skilled nursing facility settlements among the named examples.

<p><b>\$2.9B</b></p> <p>TOTAL FCA SETTLEMENTS AND JUDGMENTS, FY 2024</p>	<p><b>979</b></p> <p>QUI TAM SUITS FILED BY WHISTLEBLOWERS — A SINGLE-YEAR RECORD, SURPASSING THE 2013 HIGH</p>	<p><b>\$2.4B+</b></p> <p>RECOVERIES REPORTED IN QUI TAM (WHISTLEBLOWER-INITIATED) MATTERS IN FY 2024</p>
<p><b>558</b></p> <p>TOTAL SETTLEMENTS AND JUDGMENTS — THE SECOND-HIGHEST ANNUAL TOTAL ON RECORD</p>	<p><b>\$1.67B</b></p> <p>HEALTHCARE FRAUD SHARE OF FY 2024 FCA RECOVERIES REPORTED BY DOJ</p>	<p><b>15–30%</b></p> <p>STATUTORY RANGE OF THE RECOVERY A SUCCESSFUL WHISTLEBLOWER (RELATOR) MAY RECEIVE</p>

## Named nursing home matters in the FY 2024 report

DOJ's annual statistics release identified multiple skilled nursing facility recoveries among representative healthcare matters resolved during the fiscal year. Two examples named by the Department:

**REPORTED FEDERAL RECOVERIES**

**Strauss Ventures LLC d/b/a The Grand Health Care System.** The Grand and 12 affiliated skilled nursing facilities agreed to pay approximately \$21.3 million to resolve allegations under the False Claims Act, according to the FY 2024 DOJ statistics release.

**Thekke & Paksn-Operated Facilities.** Six skilled nursing facilities owned and/or operated by these defendants entered a settlement of approximately \$45.6 million to resolve FCA allegations, according to the same release.

Figures cited from the U.S. Department of Justice, Office of Public Affairs press release "False Claims Act Settlements and Judgments Exceed \$2.9B in Fiscal Year 2024." These are federal aggregate and case-specific statistics published by the DOJ. They are not Traction Law Group case results.

31 U.S.C. §§ 3729–3733

## The False Claims Act in plain terms.

The False Claims Act imposes civil liability on any person or company that knowingly submits, or causes the submission of, a false or fraudulent claim for payment to the federal government. Strengthened by Congress in 1986, the statute deliberately invites private citizens with inside knowledge to bring cases on the government's behalf.

### The core prohibitions

The statute reaches a defined set of conduct, including (among others):

- Knowingly presenting, or causing to be presented, a false or fraudulent claim for payment;
- Knowingly making, using, or causing to be made or used, a false record or statement material to a false claim;
- Conspiring to commit a violation of the Act;
- Knowingly concealing or improperly avoiding an obligation to pay money to the government (a "reverse false claim").

### How "knowingly" is defined

"Knowingly" under the FCA is broader than colloquial use. It covers actual knowledge of falsity, deliberate ignorance of the truth, and reckless disregard for the truth or falsity of the information submitted. Specific intent to defraud is not required.

### Liability exposure

A defendant found liable can be ordered to pay three times the government's damages (treble damages), plus a civil penalty for each false claim, adjusted annually for inflation. That penalty structure is part of why even moderate per-claim billing schemes can produce settlements in the tens of millions when claims are submitted at scale.

#### WHY IT MATTERS HERE

Skilled nursing facilities bill Medicare and Medicaid across thousands of claims per facility per year. When those claims systematically misstate what care was delivered, exposure can scale rapidly — one reason DOJ continues to identify SNF chains among named FCA defendants year after year.

Source: False Claims Act, 31 U.S.C. §§ 3729–3733. U.S. Department of Justice, Civil Division, FCA enforcement statistics, FY 2024.

## WHAT'S BEEN ALLEGED AT SKILLED NURSING FACILITIES

## Common nursing home billing patterns that have led to FCA recoveries.

The following categories appear repeatedly across federal SNF enforcement actions. They are described here for educational purposes; whether a specific situation qualifies as a False Claims Act violation depends on facts an attorney would need to evaluate.

**01 Therapy minutes manipulation under PDPM or legacy RUG categories.**

Recording therapy minutes that were not delivered, "running up" minutes near reimbursement thresholds, or coding patients into higher-paying categories than their clinical condition supports.

**02 Worthless services / failure to provide skilled-level care.**

Billing Medicare for skilled nursing or rehabilitation services where the facility's staffing, supervision, or documentation does not reflect care actually delivered to a skilled standard.

**03 Hospice ineligibility misrepresentations.**

Certifying or recertifying patients as terminally ill for Medicare hospice benefits where clinical records do not support a prognosis of six months or less.

**04 Ghost services and phantom visits.**

Submitting claims for therapy sessions, physician visits, or ancillary services that were not provided at all, or were provided by unlicensed or unqualified personnel.

**05 Anti-Kickback Statute violations tied to FCA claims.**

Improper payments or value transfers tied to physician referrals, lab orders, hospice referrals, or pharmacy arrangements, where resulting Medicare claims are then treated as false claims under the FCA.

**06 MDS assessment manipulation.**

Inflating Minimum Data Set assessments to increase per-diem reimbursement, including pressuring MDS coordinators to alter assessments to hit case-mix targets.

**07 Staffing certifications inconsistent with reality.**

Certifying compliance with federal staffing or supervision requirements (or related conditions of participation) while internal scheduling and payroll records reflect different actual coverage.

**08 Upcoding diagnoses and acuity.**

Coding residents into higher acuity categories than supported by physician notes or clinical findings, in order to increase reimbursement.

Source: U.S. Department of Justice civil enforcement actions; U.S. Department of Health and Human Services, Office of Inspector General (HHS-OIG) Work Plan and SNF compliance bulletins.

## THE RELATOR'S ROLE

## Who federal law allows to bring a qui tam case.

The False Claims Act allows a private person — called a "relator" — to file a civil action in federal court in the name of the United States. The statute imposes several gatekeeping rules designed to favor original, firsthand insider information.

### Core eligibility rules

- **Firsthand knowledge.** Relators typically come forward with direct and independent knowledge of the alleged fraud — the kind of knowledge employees, contractors, and consultants acquire through their day-to-day work.
- **First-to-file.** Only the first qualifying complaint about a given fraud may proceed. Later-filed actions based on the same underlying facts are generally barred.
- **Public disclosure bar & original source.** If the alleged fraud has already been publicly disclosed through specific federal channels, the relator generally must qualify as an "original source" of the information to proceed.
- **Counsel required.** Federal courts require qui tam complaints to be filed by an attorney. A relator cannot pursue a False Claims Act case pro se.

### Who has historically filed qui tam cases in nursing homes

DOJ enforcement records and federal court filings reflect successful qui tam actions filed by:

- Registered nurses, LPNs, and CNAs — including former DONs;
- MDS coordinators and case-mix specialists;
- Physical, occupational, and speech therapists, including contract therapists;
- Hospice clinicians and case managers serving SNF residents;
- Medical directors and consulting physicians;
- Billing, coding, admissions, and revenue-cycle staff;
- Administrators, regional managers, and compliance officers.

#### WHY FIRST-TO-FILE MATTERS

Because the FCA rewards the first qualifying relator on a given set of facts, delay can carry a cost. The first-to-file rule does not require the relator to have proof of every detail; it is a rule about who reaches the courthouse first with a non-public allegation. An attorney can explain how this rule interacts with any specific situation.

Source: 31 U.S.C. § 3730(b)–(e). U.S. Department of Justice, Civil Division.

## FROM FIRST CONTACT TO RESOLUTION

# How a federal whistleblower case actually moves.

Most qui tam cases follow a recognizable sequence. The timeline varies significantly — some matters resolve in a year, others take five or more — but the structural steps below are common across nursing home FCA actions.

- |                    |  |
|--------------------|--|
| <b>STEP<br/>01</b> | <b>Confidential consultation with counsel</b><br>Before any filing, an attorney assesses whether the facts plausibly fit the statute, whether the first-to-file and public-disclosure bars are an issue, and what additional information may be relevant. This conversation is confidential under attorney-client privilege. |
| <b>STEP<br/>02</b> | <b>Investigation and disclosure statement</b><br>The Act requires the relator to provide the government a written disclosure of substantially all material evidence and information in the relator's possession — sometimes called the "disclosure statement" — at the time the complaint is filed.                          |
| <b>STEP<br/>03</b> | <b>Complaint filed under seal</b><br>The complaint is filed in federal court under seal for at least 60 days under 31 U.S.C. § 3730(b)(2). It is not served on the defendant. During the seal period, the relator and counsel may not publicly discuss the existence of the filing.  |
| <b>STEP<br/>04</b> | <b>Government investigation</b><br>The Department of Justice — often working with the FBI, HHS-OIG, and other agencies — investigates the allegations. The seal is regularly extended while DOJ evaluates the matter. Investigations can take months to several years.   |
| <b>STEP<br/>05</b> | <b>Intervention decision</b><br>DOJ decides whether to "intervene" (take over the case), decline intervention (leaving the relator to proceed alone if they choose), or seek dismissal. Many of DOJ's largest healthcare recoveries come from cases where the government intervenes.   |
| <b>STEP<br/>06</b> | <b>Litigation or settlement</b><br>After the seal is lifted, the case proceeds publicly. Many FCA matters are resolved by settlement; others continue to discovery and trial.  |
| <b>STEP<br/>07</b> | <b>Award distribution</b><br>If there is a recovery, the relator is entitled to a statutory share: generally 15–25% in cases where the government intervenes, and 25–30% where the government declines and the relator proceeds. Attorneys' fees and costs may also be awarded against the defendant.                        |

Source: 31 U.S.C. § 3730(b)–(d); U.S. Department of Justice Civil Division procedural materials.

31 U.S.C. § 3730(H)

## What federal law says about protecting employees who report fraud.

The False Claims Act contains its own anti-retaliation provision. Section 3730(h) protects employees, contractors, and agents who engage in "protected activity" related to a potential FCA case, including lawful acts done in furtherance of an FCA action or to stop a violation of the Act.

### What § 3730(h) covers

- **Protected activity.** Lawful steps an employee, contractor, or agent takes in furtherance of an FCA action or in an effort to stop one or more violations of the FCA — including internal complaints in many circuits.
- **Prohibited actions.** Discharge, demotion, suspension, threats, harassment, or other discrimination in terms and conditions of employment because of protected activity.
- **Available relief.** Reinstatement with the same seniority status, two times the amount of back pay, interest on back pay, and compensation for "special damages" sustained as a result of the discrimination — including litigation costs and reasonable attorneys' fees.
- **Time limit.** A retaliation claim under § 3730(h) generally must be brought within three years of the alleged retaliation.

#### A NOTE ON CONFIDENTIALITY DURING THE SEAL

Once a qui tam complaint is filed under seal, the relator and counsel are restricted from publicly disclosing the existence of the lawsuit until the court lifts the seal. This confidentiality cuts in two directions: it limits what the relator can say, but it also means employers do not learn of the filing through the public record during that period.

### Related federal protections

Beyond § 3730(h), other federal statutes may apply in parallel, including Sarbanes-Oxley (for employees of publicly traded operators), the Affordable Care Act § 1558 (15 U.S.C. § 218c), and protections tied to specific federal grant programs. Whether any of these apply depends on the employer's structure and the conduct at issue.

Source: 31 U.S.C. § 3730(h). U.S. Department of Labor, OSHA Whistleblower Protection Programs — statutory summaries.

## PRACTICAL CONSIDERATIONS

# Things federal whistleblower counsel commonly discuss at intake.

Every case is different. The points below are not a substitute for advice from an attorney about a specific situation; they are common topics raised in early conversations with qui tam counsel.

## TOPICS COUNSEL COMMONLY RAISE

- Whether the alleged conduct has already been publicly disclosed.
- Whether any prior qui tam case may have been filed on the same facts.
- Statute-of-limitations issues under 31 U.S.C. § 3731(b) (generally 6 years, extended in some circumstances to 10).
- Document handling consistent with attorney advice and applicable law.
- HIPAA and resident-privacy considerations for clinical information.
- Whether existing employment agreements affect what can be shared with counsel.

## THINGS THAT OFTEN SURPRISE PEOPLE

- An attorney conversation is confidential before any filing exists.
- Qui tam complaints are filed under seal; the employer is not immediately notified.
- The first-to-file rule means timing matters even where proof is incomplete.
- Relators do not need to have a "complete case" to consult counsel.
- Internal reporting and external reporting are not mutually exclusive paths.
- FCA cases proceed in federal court, not state court.

### IMPORTANT — NOT LEGAL ADVICE

This guide is general educational information about federal law. It is not legal advice and does not create an attorney-client relationship. Whether any specific situation supports a False Claims Act claim, and what steps make sense in that situation, can only be evaluated by a qualified attorney after reviewing the facts in confidence.

## The next conversation

If something in this guide echoes what you've seen at work, the appropriate next step is usually a private conversation with a qualified attorney — not document collection, not telling coworkers, and not internal escalation that might surface the matter publicly. An attorney can explain the seal process, the first-to-file rule, the public-disclosure bar, and how each applies to a specific set of facts.



IF YOU'D LIKE TO TALK WITH  
SOMEONE

A CONFIDENTIAL CONVERSATION · NO COST · NO OBLIGATION

# Our team of **skilled** **lawyers** reviews cases nationwide.

If something in this guide echoes what you've seen at work, a private conversation with our team is a no-cost, no-obligation way to understand how federal law applies. We discuss only what you're comfortable sharing, explain the process, and let you decide what you want to do next — including doing nothing.

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REACH THE FIRM

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## FEDERAL STATISTICS CITED IN THIS GUIDE

Federal recovery figures cited throughout this guide — including the \$2.9 billion FY 2024 total, the \$1.67 billion healthcare-fraud share, the 979 qui tam filings figure, the \$2.4 billion qui tam recovery figure, and the named matters involving Strauss Ventures (The Grand Health Care System) and Thekkekk/Paksn-operated facilities — are aggregate enforcement statistics and identified case results published by the U.S. Department of Justice for fiscal year 2024. They are not Traction Law Group case results and are presented solely for educational and contextual purposes. Past results do not guarantee a similar outcome in any matter.

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Information you provide to us in response to this guide may be shared with other counsel to determine our ability to provide representation. Our review is a free evaluation of your potential claims. Clients owe us no fees or costs for direct contingency matters unless a recovery is obtained.

## SOURCE MATERIALS

This guide cites the False Claims Act, 31 U.S.C. §§ 3729–3733 (including § 3730(h) and § 3731(b)); the U.S. Department of Justice, Office of Public Affairs press release "False Claims Act Settlements and Judgments Exceed \$2.9B in Fiscal Year 2024"; U.S. Department of Health and Human Services, Office of Inspector General (HHS-OIG) Work Plan and SNF compliance bulletins; and U.S. Department of Labor / OSHA Whistleblower Protection Programs statutory summaries. Statements about federal law summarize provisions of these authorities and are not a substitute for individualized advice from a qualified attorney.

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