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Parent Company of Bristol, Tennessee Nursing Home Uses Inflated Expenses to Boost Reimbursements

The Tennessee's Comptroller's Office has completed an audit of AltaCare Corporation in Alpharetta, Georgia, which operates a number of nursing facilities in several states. The audit found that AltaCare included \$3,224,767.49 of nonallowable home office expenses on the cost reports it submitted to the State of Tennessee.

Cost reports are used to calculate a nursing facility's Medicaid reimbursement rate and should only include expenses that are reasonable, allowable, and in accordance with state and federal rules, regulations, and reimbursement principles.

Auditors determined that AltaCare's home office cost reports submitted in 2014, 2015, and 2016 each contained nonallowable amounts. These included legal expenses, unsupported expenses, late fees, penalties, expenses not related to AltaCare, and donations.

Additionally, auditors found that some personal expenses of AltaCare's director, Doug Mittleider, were also included on the 2015 cost report. These included expenses for his wife's flight from Sanborn, New York to France, church donations, a veterinarian expense, a guitar center purchase, and other unspecified personal expenses.

Because the home office cost reports include amounts allocated to nursing facilities in other states, auditors determined that \$855,679.32 of the \$3.2 million can be attributed to The Cambridge House in Bristol, Tennessee. As a result of these nonallowable expenses, The Cambridge House was overpaid an estimated \$324,999 between July 1, 2015 and June 30, 2018.

Auditors with the Comptroller's Office are continuing to review these matters.

To view the audit report online, [click here](#).

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