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DA Says Brookdale Senior Living Put Seniors at Risk, Announces \$3.25 Million Settlement

Settlement Includes Alleged Conduct at Two San Diego-Based Facilities

San Diego County District Attorney <u>Summer Stephan</u> today joined a coalition of District and City Attorneys and California Attorney General Rob Bonta to announce a \$3.25 million settlement with Tennessee-based Brookdale Senior Living, Inc. (Brookdale), the nation's largest senior living operator. The settlement resolves allegations that Brookdale's ten California skilled nursing facilities failed to adequately notify and prepare residents for both transfers and discharges and misrepresented its quality of care to the public by reporting false information, including overreporting the number of hours that nurses provided care to residents, to the Centers for Medicare & Medicaid (CMS). Brookdale ran two senior living facilities in San Diego County which have since been sold.

"This case demonstrates that we will hold senior living facilities accountable to follow the rules regarding proper notification before release or transfer of an elderly person in their care. Family members need to be able to count on their loved one will be cared for and the law will be followed," said DA Stephan. "This lawsuit exposed the kind of misrepresentation that won't be tolerated when it comes to protecting some of the most vulnerable in our community. Brookdale's actions put seniors and people with disabilities at risk. I'm gratified to join my fellow District Attorneys, Los Angeles City Attorney and the Attorney General in this settlement and appreciate the hard work of the San Diego DA's Consumer Protection Unit."

Today's settlement resolves allegations that Brookdale failed to properly notify its residents and families of transfers and discharges. Skilled nursing facilities are required to give notice of transfer or discharge at least 30 days in advance, or as soon as practicable. Brookdale failed to timely provide this required notice to its residents, with a copy to the local ombudsmen. Brookdale also failed to properly prepare its residents for transfer or discharge. As a result of these actions, Brookdale endangered the health of its residents and also left families scrambling to find other places to care for their loved ones.

The settlement also resolves allegations that Brookdale misrepresented the quality of its care to the public by reporting false information to CMS. As a means of helping the public to choose a skilled nursing facility, CMS rates facilities on several quality measures on a scale of one to five stars, which are then posted to the CMS website for members of the public to view. The false information that Brookdale provided to CMS was used to award "star ratings" to each of Brookdale's California facilities, ratings that were used by consumers as a means of selecting a quality skilled nursing facility. Specifically, Brookdale over-reported its nursing staffing hours to CMS, and by doing so, was awarded undeserved four-and five-star ratings. Through its misrepresentations to CMS, Brookdale fraudulently increased its star rating in several categories to attract prospective residents

March 10, 2022 For Immediate Release and their families. By partaking in these unfair business practices, Brookdale violated both the Unfair Competition Law and False Advertising Law.

Today's settlement is a stipulated judgment that resolves the People's lawsuit against Brookdale. As part of the settlement, Brookdale will be required to:

- Stop engaging in the illegal practices alleged in the complaint;
- Appoint a monitor to oversee compliance at its Kern County Facility; and

• Pay \$2.4 million in civil penalties, \$550,000 in costs, and \$300,000 to the Kern County Long Term Care Ombudsman.

In today's announcement, the San Diego County District Attorney's Office is joined by Attorney General Bonta and the District Attorneys of Kern, Alameda, and Santa Cruz Counties, as well as the Los Angeles City Attorney.

Deputy District Attorney Thomas A. Papageorge, head of the DA's Consumer Protection Unit, and Deputy District Attorney Colleen E. Huschke handled this case for the San Diego County District Attorney's Office.

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About the San Diego County District Attorney's Office

The San Diego County DA's Office prosecutes all felony crimes in the county and misdemeanor crimes committed outside the City of San Diego. The office files about 40,000 criminal cases a year and balances prosecution with numerous crime prevention programs. District Attorney Summer Stephan leads the office of more than 1,000 dedicated employees who pursue fair and equal justice, and support victims daily across San Diego County.