

Senior Justice Law Firm Announces \$1 Million Settlement in RegalCare Qui Tam Whistleblower Case

Settlement resolves False Claims Act allegations involving skilled nursing facility claims submitted to Medicare and MassHealth

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David Brevda, partner at Senior Justice Law Firm

announced a \$1 million settlement resolving False Claims Act allegations involving RegalCare Management Group, LLC, RegalCare Management 2.0, LLC, owner Eliyahu Mirlis, executive Hector Caraballo, and skilled nursing facilities managed by RegalCare.

The settlement stems from a [qui tam whistleblower](#) action where the relator was represented by [David Brevda](#), partner at Senior Justice Law Firm, and Raymond M. Sarola, partner at Cohen Milstein Sellers & Toll PLLC.

The case involved claims submitted to Medicare and Massachusetts Medicaid, known as MassHealth, for skilled nursing rehabilitation and other services. The government alleged that RegalCare and related defendants submitted claims for services that were medically unreasonable or unnecessary.

As part of the settlement, RegalCare, Mirlis, and Caraballo admitted, acknowledged and accepted responsibility for certain conduct involving Medicare and MassHealth billing. According to the settlement agreement, at various times between 2018 and 2023, RegalCare submitted Medicare claims at Resource Utilization Group, or RUG, levels that were not supported by individual patient needs and should have been billed at lower levels.

Caraballo admitted that he reviewed and modified patient assessment records used to support Ultra High RUG claims without personally assessing or speaking with the patients. On some occasions, he made changes without consulting clinicians. Mirlis admitted that, on some occasions, he directed RegalCare’s billing company to submit claims before patient assessment forms were finalized in the billing system.

"This case demonstrates why whistleblowers are essential to protecting nursing home residents and the public programs that pay for their care," said David Brevda, partner at Senior Justice Law Firm. "The whistleblower came forward with information that helped expose practices hidden from residents, families, and taxpayers. We are honored to have represented the whistleblower alongside Ray Sarola and to have helped bring this matter to a resolution."

Under the settlement, the defendants agreed to pay the United States and Massachusetts a combined \$1 million, plus interest. Of that amount, \$500,000 is designated as restitution.

The RegalCare settlement follows a separate March 2026 agreement involving therapy provider Stern Therapy Consultants LLC. Stern Therapy agreed to pay \$315,000 to resolve allegations that it conspired with RegalCare and others to cause the submission of false Medicare claims for medically unnecessary skilled nursing rehabilitation therapy services.

The case was brought under the qui tam provisions of the federal and Massachusetts False Claims Acts. These laws permit private individuals with knowledge of suspected fraud to bring claims on behalf of the government and potentially receive a share of the government's recovery.

The whistleblower filed the qui tam action in 2020. The United States and the Commonwealth of Massachusetts intervened in the case in November 2024 and filed their complaint in intervention in February 2025.

The case is United States and Commonwealth of Massachusetts v. RegalCare Management 2.0, LLC, et al., No. 20-cv-11805-IT (D. Mass.).

Official U.S. Department of Justice announcement and settlement agreement:

<https://www.justice.gov/usao-ma/pr/skilled-nursing-company-and-executive-agree-pay-1-million-resolve-overbilling>



\$1 MILLION SETTLEMENT

Qui Tam Case Involving Skilled Nursing Overbilling Allegations

David Brevda, Esq.

 **SENIOR JUSTICE**
LAW FIRM

Senior Justice Law Firm Partner David Brevda represented the relator in a qui tam case involving skilled nursing overbilling allegations that resulted in a \$1 million settlement.

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About Senior Justice Law Firm

Senior Justice Law Firm is the nation's largest law firm dedicated exclusively to representing victims and families affected by elder abuse and neglect in nursing homes, assisted living facilities, hospitals, home health settings and other long-term care environments. Founded in 2016, the firm has 24 attorneys and represents clients in 28 states. Senior Justice Law Firm also represents qui tam whistleblowers who expose fraud and misconduct affecting residents and government healthcare programs. Learn more at <https://seniorjustice.com/>.

Counsel for the Relator

The whistleblower was represented by David Brevda of Senior Justice Law Firm and Raymond M. Sarola of Cohen Milstein Sellers & Toll PLLC.

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