

NEWS & INSIGHTS

Feds keep close eye on the healthcare industry

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The U.S. Department of Labor continues to closely watch the healthcare industry, announcing two major wage recovery cases – including one in the Philadelphia area.

The latest cases highlight the department's renewed focus on the healthcare industry, as its Wage and Hour Division continues to crack down on employers for allegedly incorrectly compensating their employees.

Recently, in a Philadelphia case, the department obtained a consent judgment against a Philadelphia-based home healthcare agency, Aging with Care Inc., requiring it to [pay more than \\$1.6 million in back wages and liquidated](#)

[damages](#) to 288 workers purportedly denied overtime pay. The company also received a fine of more than \$56,000 for the alleged “willful nature” of the withholdings.

Additionally, the department filed a complaint in Massachusetts federal court against a healthcare system alleging it intentionally withheld overtime wages [to at least 624 employees](#) at its 25 locations.

The complaint alleges that Next Step Healthcare LLC automatically deducted 30 minutes from employees’ hours worked for meal breaks, yet regularly permitted employees to work through those breaks in violation of the Fair Labor Standards Act.

These two recent cases are evidence that the department has trained its eyes on the healthcare industry, and is proactively targeting the industry for potential wage and hour violations.

In fiscal year 2023, the department announced nearly 2,500 compliance actions in the healthcare industry totaling almost \$32 million in back wages for 24,330 employees – similar to fiscal year 2022. In both years, the only low-age, high-violation industry more penalized was the food services industry, according to [department statistics](#).

Healthcare companies have long been a frequent target of the department. If your healthcare organization is the target of an investigation or needs assistance in staying legally compliant, please [contact me](#) or anyone in the [Saxton & Stump Healthcare Group](#).

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