

# Congress of the United States

Washington, DC 20515

June 21, 2023

The Honorable Christi A. Grimm  
Inspector General  
Office of the Inspector General  
Department of Health and Human Services  
330 Independence Avenue, SW  
Washington, DC 20201

Dear Inspector General Grimm,

We write to you regarding our profound concerns about fraud and abuse within the Medicare hospice benefit. As you know, hospice care, when provided in an appropriate manner, has many benefits. Hospice gives patients the comfort and dignity they deserve at the end of life. Additionally, because hospice is able to support terminal patients' preference to receive care in their own homes and communities, and focuses on making them as comfortable as possible, expensive and unnecessary Medicare-covered inpatient hospital stays and emergency department visits are often avoided. Unfortunately, a surge of newly Medicare certified hospices have been engaged in unlawful, unethical practices, resulting in alarming reports of fraud and abuse that threaten both patient safety and fiscal responsibility. To help us understand the scope of the situation and what the Office of the Inspector General is doing to address the potential fraud by these bad actors, we request a briefing from your office.

In late 2022, an article published in *The New Yorker* and *ProPublica* highlighted the predatory practices of certain exploitative hospice providers.<sup>1</sup> Some of these providers engage in deceitful and overly aggressive solicitation tactics to bring patients onto service inappropriately. Some patients do not even know they have been enrolled in hospice until they visit their doctors and find they are no longer eligible for curative care. Victims of such scams have been denied chemotherapy, kidney dialysis, and other lifesaving treatments due to inappropriate enrollment in hospice.

Many fraudulent hospices also employ a “churn and burn” strategy through which they apply for new licenses to continue billing Medicare with no change in the number of enrolled patients. The article mentions one instance of 33 hospices at the same address in Maricopa County, Arizona, all remotely monitored by one man from his laptop. Medicare's own public data indicates this is not an isolated incident. Medicare's data suggests that, in Clark County, Nevada, there are 116 Medicare certified hospices, with multiple entities sharing the same address and many with the same administrators.<sup>2</sup>

State auditors in California have discovered a recent surge in new hospices, particularly in Los Angeles County, with some of these hospices appearing to have been set up with fictional patients and medical staff. This activity led California to institute a statewide moratorium on new hospice licensures, which took effect on January 1, 2022.<sup>3</sup> However, this has only pushed the rapid expansion of fraudulent hospices eastward to places like

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<sup>1</sup> Ava Kofman, “How Hospice Became a For-Profit Hustle,” *The New Yorker*, <https://www.newyorker.com/magazine/2022/12/05/how-hospice-became-a-for-profit-hustle/amp>.

<sup>2</sup> The Centers for Medicare & Medicaid Services, “Quality, Certification & Oversight Reports,” *The Centers for Medicare & Medicaid Services*, 2022, <https://qcor.cms.gov/main.jsp>.

<sup>3</sup> Michael S. Tilden, “California Hospice Licensure and Oversight: The State's Weak Oversight of Hospice Agencies Has Created Opportunities for Large-Scale Fraud and Abuse,” *Auditor of the State of California*, 2022,

Nevada, Arizona, and Texas.<sup>4</sup> Without increased oversight and coordinated survey and enforcement action at the federal level, there is no way to prevent the owners of fraudulent hospices that are audited or reach the Medicare billing limit from simply opening a new hospice elsewhere.

Medicare fraud, waste and abuse cannot be tolerated, especially when it is being perpetrated on our nation's most vulnerable patients. This surge in hospice fraud raises several questions about whether current oversight procedures with respect to state licensing, accreditation, and certification is sufficient to stop bad actors. Any inadequacy could harm a critical Medicare benefit that in most cases provides high-quality and person-centered care for patients and families.

We also request you brief our offices within 14 days to provide an update on of the investigations caseload related to improper activity in the hospice benefit, a review of any additional resources or authorities that may be needed to better address the proliferation of these fraudulent hospice providers, and the steps the OIG is taking to address this situation and any trends or findings.

Thank you for your assistance in this matter. We stand ready to work with your office while ensuring thorough congressional oversight.

Sincerely,




Beth Van Duyne  
Member of Congress



Earl Blumenauer  
Member of Congress



Brad R. Wenstrup, D.P.M.  
Member of Congress



Jimmy Panetta  
Member of Congress



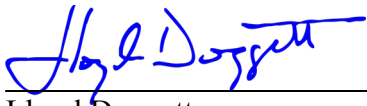
Brian Fitzpatrick  
Member of Congress



Mike Carey  
Member of Congress

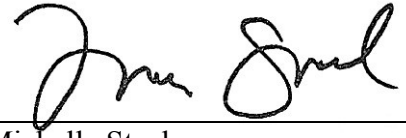
<https://www.auditor.ca.gov/pdfs/reports/2021-123.pdf>.

<sup>4</sup> Kofman, Ava, "Congress and Industry Leaders Call for Crackdown on Hospice Fraud." *ProPublica*, <https://www.propublica.org/article/congress-industry-leaders-call-for-crackdown-on-hospice-fraud>.



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Lloyd Doggett  
Member of Congress



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Michelle Steel  
Member of Congress



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Darin LaHood  
Member of Congress