

Wisconsin Hospice & Palliative Care Association

Emerging Trends in Hospice Fraud

A Presentation to the
Wisconsin Board
of Inspector General
July 17, 2023

Types of hospice fraud

Historical

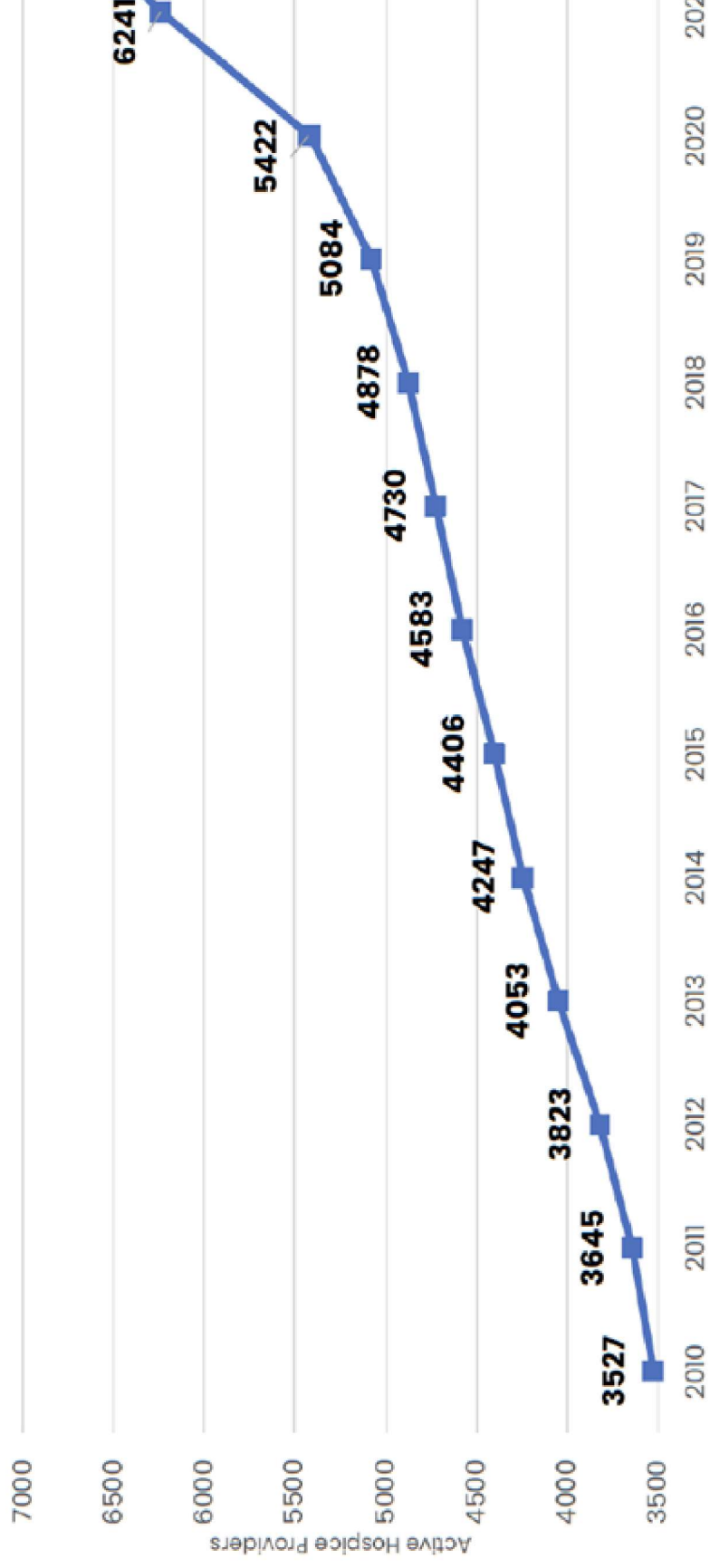
- False billing claims
 - Double billing families/patients for things covered by Medicare, Medicaid or private insurance
 - Charging patients for unnecessary services
 - Manipulating patients into receiving care in a facility rather than at home in order to get higher reimbursement
- Improperly delivering services or products
 - Reducing frequency of visits by hospice staff
 - Ordering insufficient medications
 - Using LPN rather than RNs
- Kickbacks
 - Hospices giving free or below market good or services to nursing homes in exchange for patient referrals
- Failing to get proper physician certification

Emerging

- Proliferation of hospice providers far beyond the population needs
- Excessive geographic clustering of hospices
- Unusual spikes in reports of health care fraud having stolen identities
- Unusually high rates of patients discharged from hospice

Proliferation of U.S. hospice providers

Medicare Certified Hospices Increased 96% from 2010-2022



Source: CMS, S&C's Quality, Certification and Oversight Reports (QCOR)

732 Hospices Medicare Certified in 2022

85% in Four States

California 60%, Texas 11%, Arizona 10%, Nevada 4%



CMS QOCOR website as of March 21, 2023

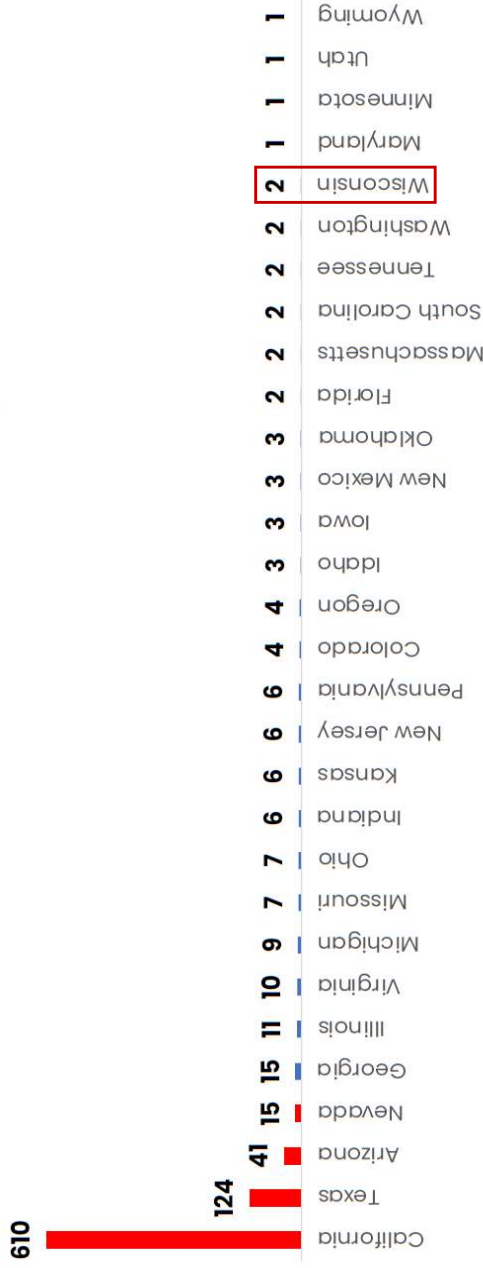
Proliferation of hospice

- Between 2021-2022 more than 85% of hospices in the U.S. were in 4 states.
- California, particularly in LA County, has seen a significant influx. Many of these new providers are being investigated by the State Auditor.
- Indicators of large-scale fraud that include:
 - Billing to Medicare and Medi-Cal and stolen identities of medical personnel
 - A perfunctory hospice licensing process that does not verify that personnel are qualified or licensed
 - Limited monitoring and failure to perform random audits
 - State agencies have not adequately funded or prioritized prevention efforts.
- The state's Public Health Service has not comprehensively assessed fraud risk in hospice agencies.

909 Hospices Medicare Certified in 2021

87% in Four States

California 67%, Texas 14%, Arizona 5%, Nevada 2%



CMS QOCOR website as of March 21, 2023

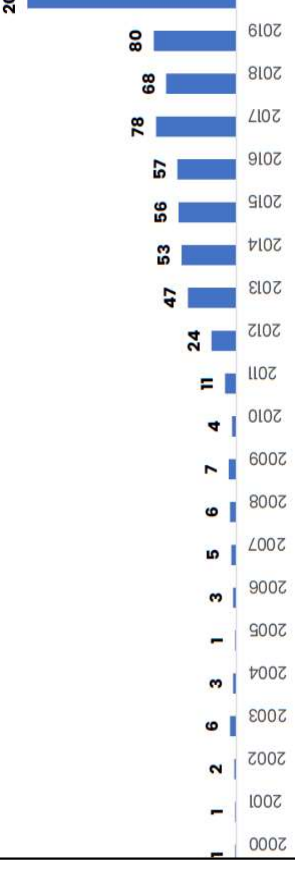
Geographic Clustering California

- As many as 75 hospice providers have the same address listed for their business location.
- Numerous instances of the same individual serving as the hospice administrator of multiple hospices

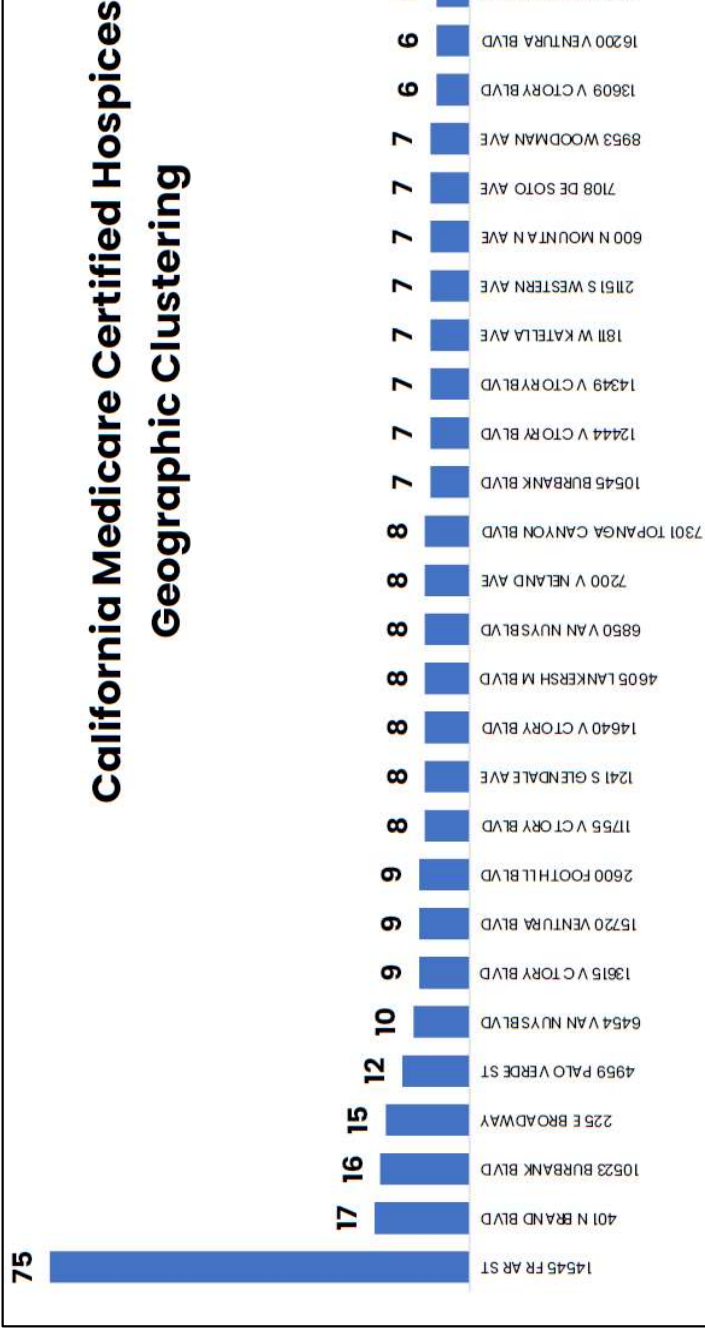
Admin	Count of FACADMIN
Not provided	68
DO NOT DISCLOSE	39
MKRTCHYAN, HOVHANNES	36
DONES, EMBETHE	29
YELLIN-MEDNICK, STEPHANIE J	25
TIONGSON, EDNA	24
GAMBARINI, MARINA L	14
VAN AUKEN, ELISABETH	14
SANTOS, JONATHAN	13
ZARAGOZA, GEORGE	11
ASLANIAN, INGA	10
BABAKHANYAN, ADRIAN	10
DELEON, OLIVER	10
CHOPRA, PALAK	9
ALEGADO, JACQUELINE	8
AKOPYAN, AIDA	8
BALAGULA, EDUARD	8
JASMIN-CONECHADO, ANGELA K	8
NASROLLAHY, GHASSEM (GLENN)	8
PETROSYAN, ALLA	8
PETROSYAN, DINA	8
SARHADIAN, TINA	8
REESE, REINE R	8
BOYAJIAN, JOHN	7
ASATRYAN, AGAVNI	7

Not
Source: CMS Dataset of Medicare-Certified Hospices; CA Department of Public Health, Center for Health Care Quality, Licensed and Certified Healthcare Facility Listing as of February 15, 2023.

Growth in Los Angeles County Medicare Certified Hospices



California Medicare Certified Hospices Geographic Clustering

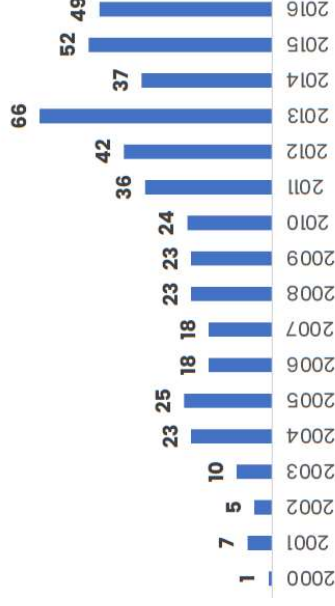


Source: CMS Dataset of Medicare Certified Hospices; CA Department of Public Health, Center for Health Care Quality, Licensed and Certified Healthcare Facility Listing as of February 15, 2023.

Geographic Clustering Texas

- In one county, as many as 20 hospice providers have the same address listed for their business location.
- Some of these operators sell “Hospice in a Box” hoping to flip their new license and certification for \$350,000.

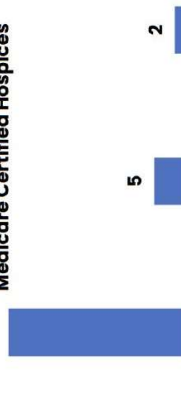
Texas Annual Growth Medicare Certified Hospices



Bexar County Transcend “Hospice in a Box” Opportunity Information

Becoming a Transcend Franchisee offers you a structured business model that allows you to get your business up and running quickly. Using our system, you will benefit from our economies of scale and industry experience that will reduce your stress by helping you to avoid costly mistakes. Quite simply, we offer a “Hospice in a Box” that allows for low startup costs, pre-negotiated contracts, and an efficient management process resulting in quicker speed to market for your business.

26 Transcend Certified Hospices



Our franchise offering is available nationwide. No matter where you live in the United States, you can become a successful hospice owner using our program.

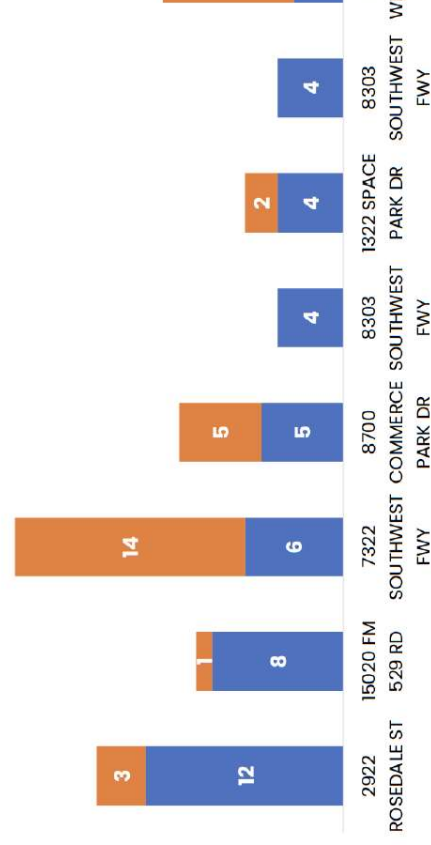
We are now offering an exciting new option for our new clients in Texas. For a limited time, we are offering Medicare Certified and ready to bill Texas licenses to operate as a Hospice Agency. These licenses sell for up to \$350,000.00 through brokers because they are fully accredited and allow you to begin billing for services almost immediately.

With our franchise and one of these licenses, you will be fully operational and billing in weeks instead of months. For those interested in financing one of these licenses, we have an approved SBA lender ready to work with you!

No full-time employees needed. We also equip you with all the training and guidance needed so you avoid expensive consultants.

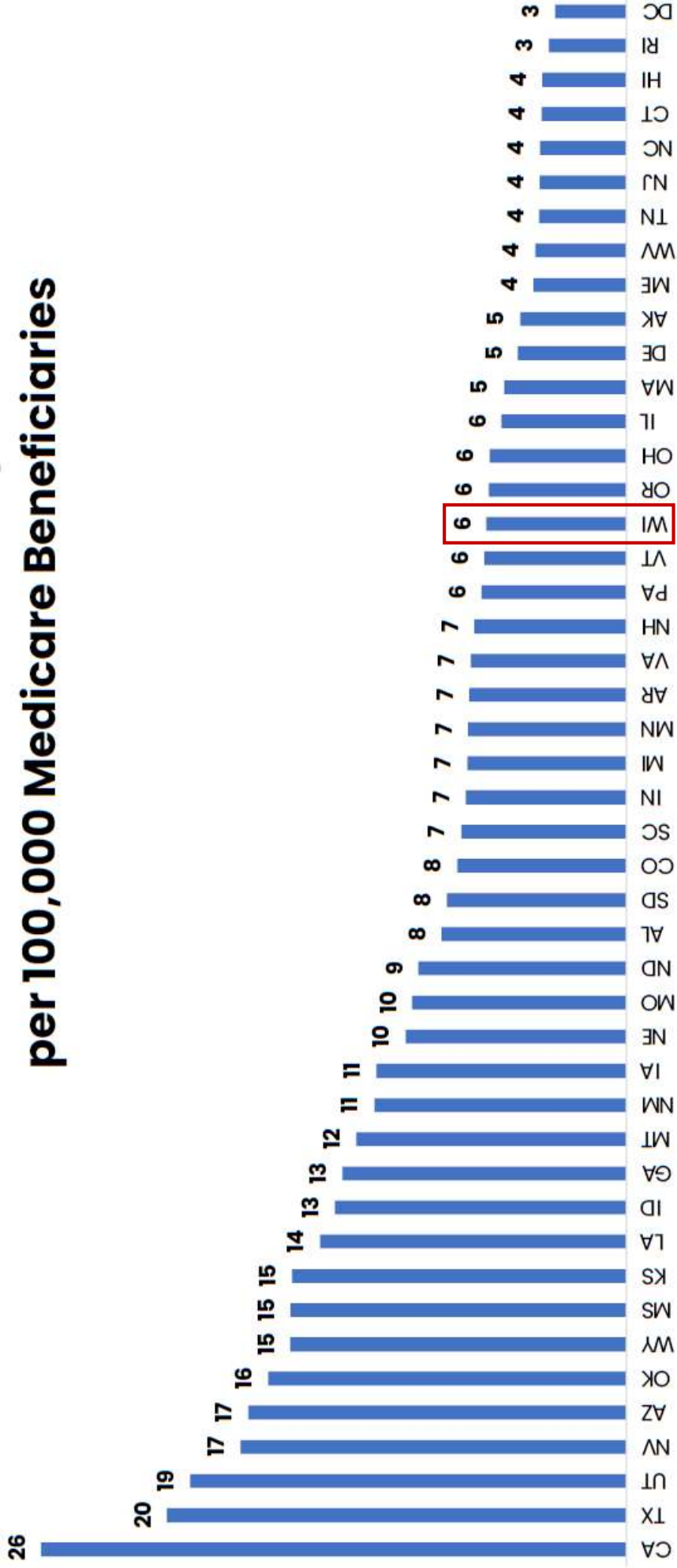
Texas – Harris County Geographic Clustering of Hospices

■ Medicare Certified ■ State License



Source: Texas HHSC Home and Community Support Services Agencies as of 3/16/2023

Medicare Certified Hospices per 100,000 Medicare Beneficiaries



Source: CMS Dataset of Medicare-Certified Hospices as of June 30, 2022; CMS Medicare Beneficiaries Monthly Enrollment by State as of August 2022.

Actions Underway

- CMS has conducted nationwide site visits to determine whether hospices are truly operational and address listed in the Provider Enrollment, Chain, and Ownership System (PECOS). In this process, identified hospices that appear to be non-operational or failed to update their new location in PECOS are further reviewing those hospices for potential administrative action.
- CMS is placing newly enrolling hospices located in Arizona, California, Nevada, and Texas in a period of enhanced oversight. This applies to hospices in these states that are newly enrolled in the Medicare program as of July 13, as well as those who are submitting or undergoing a change in ownership. The provisional period will last between 30 – 365 days. CMS retains the authority to expand this oversight to additional states as warranted.
- CMS has proposed a number of new rules including:
 - a requirement that would prohibit hospice owners from selling their businesses within 36 months of Medicare enrollment or a regulation that has existed for several years for home health agencies. The rule forbids any change in majority ownership 36 months after initial enrollment, including acquisitions, stock transactions or mergers.
 - Prohibiting a provider that is denied Medicare enrollment from reapplying for up to three years. It would also impose a three-year ban on physicians who have had felony convictions within the previous 10 years as well as any provider who has been denied enrollment during the previous three years.