

# United States Senate

WASHINGTON, DC 20510

December 16, 2022

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

The Honorable Chiquita Brooks-LaSure  
Administrator  
Centers for Medicare & Medicaid Services  
Department of Health and Human Services  
200 Independence Ave, SW  
Washington, DC 20201

Dear Inspector General Grimm and Administrator Brooks-LaSure,

The purpose of this letter is to bring to your attention troubling allegations regarding Medicare's hospice benefit. Public records indicate rapid growth of hospice entities enrolling in Medicare in certain states without assurance regarding actual patient care, quality of services, or customary provider practices. We request you immediately investigate this situation and take all appropriate steps to protect the integrity of the Medicare program and access to care for patients.

As leaders of the bipartisan Comprehensive Care Caucus, we strongly support increasing access to hospice and palliative care for those in need. We know the real difference these services make for patients as they face the most serious and debilitating medical conditions. It is critically important that high-quality services continue being widely available and accessible for our nation's seniors and those facing serious illness or injury.

Congress has previously passed legislation on a bipartisan basis to address program integrity concerns within the Medicare hospice benefit. For example, Congress included time-based requirements to survey hospice agencies as part of the Improving Medicare Post-Acute Care Transformation (IMPACT) Act of 2014.<sup>1</sup> In addition, increased survey requirements were mandated as part of the Consolidated Appropriations Act of 2021.<sup>2</sup> The Hospice Special Focus

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<sup>1</sup> See P.L. 113-185

<sup>2</sup> See P.L. 116-260

Program was also created under this legislation to address poor-performing hospice agencies, along with the imposition of civil and monetary penalties.<sup>3</sup>

However, further evidence of apparent Medicare fraud cannot be ignored. The Department of Health and Human Services Office of Inspector General has previously highlighted program integrity concerns regarding Medicare's hospice benefit.<sup>4,5</sup> More recently, the Office of the California State Auditor issued a report finding, "The prevalence and number of fraud indicators in Los Angeles County suggest a large-scale, targeted effort to defraud Medicare and Medi-Cal."<sup>6</sup> This work was highlighted in the *Los Angeles Times*.<sup>7</sup> In response, the State of California implemented a moratorium on new hospice licenses.

Medicare's own public data indicates this troubling trend is not confined to California. The same pattern is present in Arizona, Nevada and Texas. For example, Medicare data shows there are 22 hospices operating from the same location in Phoenix, along with another six at the same address in Mesa.<sup>8</sup> In Las Vegas, Medicare claims there are 110 certified hospices, with multiple entities sharing the same address.<sup>9</sup> Finally, in Texas the same pattern continues. For example, in Houston there are 12 hospices sharing the same location, with only a slight difference in the suite number.<sup>10</sup>

Most recently, *The New Yorker* and ProPublica highlighted this information in an exposé. In this piece, the reporter attempted to visit some of these hospices, only to find they were being monitored by a guard from a home laptop.<sup>11</sup>

Medicare fraud cannot be tolerated, especially when it is being perpetrated on our nation's most vulnerable patients. Therefore, we request you initiate an investigation of these allegations and a

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<sup>3</sup> Ibid.

<sup>4</sup> Joanne M. Chiedi, "Hospice Deficiencies Pose Risks to Medicare Beneficiaries," *U.S. Department of Health and Human Services Office of Inspector General*, July 2019, [https://oig.hhs.gov/oei/reports/oei-02-17-00020.asp?utm\\_source=mmpage&utm\\_medium=web&utm\\_campaign=OEI-02-17-00020](https://oig.hhs.gov/oei/reports/oei-02-17-00020.asp?utm_source=mmpage&utm_medium=web&utm_campaign=OEI-02-17-00020).

<sup>5</sup> Joanne M. Chiedi, "Safeguards Must Be Strengthened to Protect Medicare Hospice Beneficiaries from Harm," *U.S. Department of Health and Human Services Office of Inspector General*, July 2019, [https://oig.hhs.gov/oei/reports/oei-02-17-00021.pdf?utm\\_source=summary-page&utm\\_medium=web&utm\\_campaign=OEI-02-17-00021-PDF](https://oig.hhs.gov/oei/reports/oei-02-17-00021.pdf?utm_source=summary-page&utm_medium=web&utm_campaign=OEI-02-17-00021-PDF).

<sup>6</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*, March 2022, <https://www.auditor.ca.gov/pdfs/reports/2021-123.pdf>.

<sup>7</sup> Ben Poston and Kim Christensen, "'Large-Scale Fraud' and Lax Oversight Plague California's Hospice Industry, Audi Finds," *Los Angeles Times*, March 29, 2022, <https://www.latimes.com/california/story/2022-03-29/fraud-lax-oversight-california-end-of-life-hospice-industry-audit-finds>.

<sup>8</sup> The Centers for Medicare & Medicaid Services, "Quality, Certification & Oversight Reports," *The Centers for Medicare & Medicaid Services*, December 2022, <https://qcor.cms.gov/main.jsp>.

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

<sup>11</sup> Ava Kofman, "How Hospice Became a For-Profit Hustle," *The New Yorker*, November 28, 2022, <https://www.newyorker.com/magazine/2022/12/05/how-hospice-became-a-for-profit-hustle/amp>.

review of any additional resources or authorities that may be needed to better address the proliferation of fraudulent hospice providers. Finally, we request you provide a briefing to our offices within 14 days so we can fully understand the steps being taken to address this situation.

We appreciate your prompt attention to this request.

Sincerely,



John Barrasso, M.D.  
United States Senator



Jacky Rosen  
United States Senator



Deb Fischer  
United States Senator



Tammy Baldwin  
United States Senator