

Eli's Hospice Insider

Enforcement: Drug Use, Luxury Cars Help Determine Hospice Owner's Sentence

\$27 million in restitution ordered in addition to lengthy prison stay.

The hits just keep on coming for hospices trying to keep a good reputation among potential patients, referral sources and law- and policy-makers.

On the heels of a scandalous hospice fraud case where the owner is accused of ordering patients fatally overdosed for financial gain (see story, p. 28), the sentencing in another hospice case is further besmirching hospices' good name.

Daily cocaine use, corporate planes, and luxury sports cars were what **Passages Inc.** co-owner **Seth Gillman** used fraud proceeds for, prosecutors and Gillman himself told the judge in the case that centered on General Inpatient care fraud.

Reminder: Back in 2014, Gillman was indicted on charges in the scheme. About 22 percent of Lisle, Ill.-based Passages' patients between 2006 and late 2011 had more than six months of hospice care, compared to about 12 percent of hospice patients nationally in 2009, the **FBI** said (see Eli's Hospice Insider, Vol. 7, No. 7). Gillman paid bonuses, sometimes well in excess of their salaries, to Passages' directors based on the amount of GIP under their supervision, according to the charges. Gillman also authorized large bonuses to himself and a co-administrator, based on the number of patients per day at certain nursing homes. Passages also allegedly had arrangements with eight nursing homes in 2010 in which it paid the nursing homes \$250 for every patient who was on GIP per day, a **Department of Justice** release detailed at the time.

Last February, Gillman pleaded guilty to fraud in the case (see Eli's Hospice Insider, Vol. 9, No. 4). Then last month, he asked the judge for a more lenient sentence due to the good care many of Passages' patients received. "I betrayed the trust of Medicare and I besmirched the integrity of hospice altogether," Gillman told the judge, according to the Chicago Tribune. "I was stupid and I was wrong."

The feds were pushing for a 10-year sentence, while Gillman asked for three years. The judge seems to have split the difference, sentencing the attorney/administrator to six-and-a-half years, reports the Tribune.

Gillman also was licensed as a nursing home administrator and ran his family's nursing home chain, **Asta Healthcare**, the newspaper says. He gave up his interest in the chain after the Passages prosecution.

Gillman also will pay an \$18 million civil judgment and \$9 million in restitution to Medicare, the Trib says. But the judge noted there's little chance of the government collecting that money, since Gillman says he is broke.

Breach of trust: Families who were told their loved ones were terminally ill when they weren't are one of the biggest victims in this scheme, the newspaper adds.

"I think he deserved more," one former employee said outside the courtroom, according to the Trib. The case was sparked by complaints filed by multiple employees.