

Eli's Hospice Insider

Enforcement: Hospice Co-Owner Charged With GIP Medicare Fraud

Bonuses focused on increased care levels, charges say.

How you treat your employees could determine whether the authorities show up at your door. The feds have charged **Seth Gillman**, co-owner of Lisle, Ill.-based Passages Hospice and nursing home chain **Asta Healthcare Company Inc.**, with Medicare fraud, the **FBI** says in a release.

The case features many of the industry's fraud-and-abuse hot buttons: General Inpatient Care, patients residing in nursing homes, and marketing practices. According to prosecutors, Passages billed Medicare for medically unnecessary GIP care and kept ineligible patients on service, sometimes for years.

Benchmark: The feds will admit that not every hospice patient should die by the six-month mark. But if your patients live much longer than the average, you will draw attention. About 22 percent of 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 says.

In 2008, Gillman began paying bonuses, sometimes well in excess of their salary, to Passages' directors overseeing nurses and CNAs 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, including \$833,375 to himself between March 2009 and April 2011. "The bonuses increased as the number of patients on GIP increased and as the number of facilities counted for the bonuses increased, according to the affidavit," the FBI says.

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, the release adds.

Gillman and others also altered patient files requested by a Program Integrity Contractor for review in 2009. Multiple Passages employees, including a clinical director who was fired for voicing GIP concerns, contacted federal agents about the alleged fraud, the FBI says. When the clinical director "confronted Gillman over the GIP eligibility of [a patient], Gillman allegedly told her to mind her own business because he needed the money, the affidavit states."

The bonuses allegedly prompted a Passages director to reprimand an honest nurse for acting like "Mary Poppins," the complaint says, according to the Chicago Sun-Times.

Response: "The charges are against Seth Gillman, not Passages Hospice or any current employee," Passages says in a statement on its website. "Passages has taken substantial steps to be compliant by implementing a compliance department and quality assurance teams." The period named in the complaint ended two years ago, the hospice adds. It will continue to operate.

Chicago's Medicare Fraud Strike Force, which began operating in 2011, headed up the investigation.