

## Eli's Hospice Insider

### Fraud & Abuse: Hospice Misdeeds Keep Industry In Feds' Crosshairs

**OIG highlights case involving kickbacks.**

Hospices should brace for more, not less, fraud scrutiny ahead.

HHS Assistant Inspector General **Ann Maxwell** called out hospices for shady behavior in a May 24 hearing before the House Energy & Commerce Subcommittee on Oversight and Investigations. Specifically, Maxwell cited General Inpatient care problems.

And in its latest semiannual report to Congress, the **HHS Office of Inspector General** spent a good deal of time on hospice cases.

**For example:** The report cites the case of **Sandra Livingston**, owner of **Sandanna Hospice Inc.**, **Milestone Hospice Inc.**, and **Carol's Hospice & Palliative Services of Shelby, Mississippi Inc.** Livingston was sentenced to three years in prison and ordered to pay \$1.1 million in restitution after admitting to paying recruiters \$800 or more for patient referrals and furnishing kickbacks to the hospice medical director to certify ineligible patients. Agency billing clerk **Lara Thompson** also pled guilty in the case and received a year in prison and more than \$1 million in restitution, the **OIG** notes. "This case was initiated based on fraud tips provided to the HHS **OIG Hotline**," the semiannual report emphasizes.

Other recent hospice fraud enforcement actions include:

- Following a two-week trial in federal court, a jury convicted two California physicians of falsely certifying patients for hospice, the **Department of Justice** says in a release. **Sri Wijegoonaratna** and **Boyao Huang** certified as terminal patients served by Covina-based **California Hospice Care** in an alleged \$8.8 million Medicare scam, prosecutors said. CHC owner **Priscilla Villabroza** and her daughter paid patient recruiters for patients, had CHC nurses perform bogus assessments for them, and had the physicians falsely certify them in exchange for kickbacks. Wijegoonaratna also recruited patients for kickbacks. Then CHC personnel altered medical records when the hospice was audited by Medicare, prosecutors said. Four other defendants in the scheme, including Villabroza, have pled guilty. Villabroza faces sentencing in June and the doctors are scheduled for sentencing in August.
- In Pittsburgh, former **Horizons Hospice** COO **Mary Ann Stewart** pled guilty to Medicare fraud June 2, according to the **Department of Justice**. "Stewart admitted orchestrating a scheme whereby she caused her staff to place non-qualifying patients into hospice care that were not appropriate, and then recertified the patients for continued hospice care," the DOJ says in a release. Stewart is scheduled for sentencing in September, when she could face up to 10 years in prison.
- A San Juan, Puerto Rico-based hospice will pay \$2.5 million to settle Medicare fraud charges, the **Department of Justice** says in a release. A "False Claims Act investigation" uncovered about \$1.5 million in questionable Part A Medicare billings submitted by **Hospicio La Paz Inc.** from October 2011 through September 2012, the DOJ says. The hospice also agreed to a Corporate Integrity Agreement with the **OIG** as part of the settlement.

Note: See the **OIG** semiannual report at

[http://oig.hhs.gov/reports-and-publications/archives/semiannual/2016/SAR\\_Spring\\_2016.pdf](http://oig.hhs.gov/reports-and-publications/archives/semiannual/2016/SAR_Spring_2016.pdf).