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Eli's Hospice Insider

Fraud & Abuse: Hospice Owners Pay Millions To Settle Charges

'Hospice fraud has reached epidemic proportions,' OIG agent declares.

The hospice industry's efforts to combat its fraud and abuse rep get harder with every enforcement action announced.

Check out the latest group of guilty pleas, fraud settlements and prison terms announced in hospice-related cases:

In Mississippi: After pleading guilty to Medicare fraud in May, the owner/Director of Nursing for **Revelation Hospice** in Clarksdale, Miss., has received a 48-month home confinement sentence and must repay $5.4 million, the **Department of Justice** says in a release. The judge allowed home confinement for **Andre Kirkland** instead of prison because he has metastatic cancer, the DOJ says.

Kirkland and Revelation were knowingly enrolling ineligible Medicaid and Medicare recipients, according to the DOJ. "A medical review of a 30-patient Medicare patient sample revealed that 100 percent of those patients were not eligible. Revelation had a live discharge rate of 93.3 percent," the release notes. In contrast, the national live discharge rate is 18.2 percent, according to the DOJ.

"Hospice fraud has reached epidemic proportions in Northern Mississippi," **Derrick L. Jackson**, **HHS Office of Inspector General** Special Agent in Charge, says in the release. "Patients are being falsely diagnosed as terminally ill in order to line the pockets of hospice owners who are treating Medicare like their own personal ATM."

In Pennsylvania: The former COO of **Horizons Hospice** in Pittsburgh has received a 15-month prison sentence following her guilty plea in June to Medicare fraud.

Mary Ann Stewart had asked for home confinement and sobbed to the judge that she was not a bad person, reports the Pittsburgh Post-Gazette.

Prosecutors noted that despite earning more than $300,000 a year in salary, Stewart took Medicare and Medicaid proceeds and used it for herself for restaurant meals, gift cards, and party buses. The judge handed down the prison sentence, noting that Stewart had lied to a grand jury in the course of the investigation, says the Post-Gazette. Stewart will also have to pay $175,000 in restitution.

In Illinois: Lemont.-based **Home Bound Healthcare Inc.** and its owner, **Romy Macasaet Jr.**, have agreed to pay nearly $7 million to settle charges of paying kickbacks to referring physicians, disguised as medical director compensation, the DOJ says in a release. "Macasaet acknowledged ... that he retained and paid Medical Directors a monthly fee solely for the purpose of obtaining patient referrals," according to the release. From 2006 to 2014, Macasaet paid $789,327 in bribes to about 20 medical directors, the feds say.

In addition to the fine, Macasaet agreed to resign his employment with Home Bound and to divest his ownership interest in the company, the DOJ says. Home Bound also entered into a Corporate Integrity Agreement with the OIG. Macasaet faces sentencing Feb. 15.

In Kentucky: Billing Medicare for ineligible hospice patients has led to a $3.1 million penalty for one of the nation's largest home care and hospice providers.

Louisville-based **Kindred Healthcare Inc.** has paid the penalty for not complying with the Corporate Integrity Agreement that its 2014 acquisition, **Gentiva**, received when it negotiated a $25 million settlement for improper hospice billing. Gentiva, in turn, had inherited the billing problems causing the settlement from its $1 billion acquisition of hospice chain **Odyssey** in 2010. (The billing improprieties at issue occurred from 2006 to 2009.)

The OIG fined Kindred when a series of site visits uncovered noncompliance with the CIA's terms in the fourth year of the five-year agreement, the OIG says in a release. It's the largest fine for a CIA violation to date, the OIG says.

"Kindred was billing Medicare for hospice care for patients who were ineligible for hospice services or who were not eligible for the highest level and most highly paid category of service," according to the OIG. Kindred closed 18 "underperforming" hospice locations after its CIA-required audits revealed the billing problems.

However, "in 2016 the company took significant corrective actions, including upgrading internal audits and investigations and tracking resolutions of identified issues," the OIG adds in the release.