

Eli's Hospice Insider

Fraud & Abuse: Hospices Fight Fraud Rep In Wake Of Texas Overdose Allegations

CHC upcoding features in fraud case.

Sixteen people have been indicted on hospice Medicare fraud charges in Texas, with the case grabbing sensational headlines in local news outlets for allegations of intentionally killing patients.

The feds are alleging that hospice agencies **Novus Health Services** and **Optim Health Services Inc.** committed a series of misdeeds including paying kickbacks for patient referrals, billing for ineligible patients, and upcoding to Continuous Home Care service levels. But your potential patients and referral sources are more likely to focus on another set of allegations in the case — that Novus owner and CPA **Brad Harris** ordered overdoses of hospice patients.

"When a beneficiary was on continuous care, the Novus nurses would administer high doses of Schedule II controlled medications such as morphine or hydromorphone, whether the beneficiary needed the medication or not," the **Department of Justice** says in a release. "One reason for this aggressive medicating practice was that Harris wanted to ensure that the beneficiaries' medical records contained documentation that would justify billing Medicare at the higher continuous care billing rate. There were instances when these excessive dosages resulted in serious bodily injury or death to the beneficiaries."

In an affidavit for a search warrant in the case last spring, an **FBI** agent went even further with the overdose allegations. The affidavit alleged that Harris ordered the overdoses to hasten patients' deaths to manage the hospice agency's cap exposure and maximize profits (see Eli's Hospice Insider, Vol. 9, No. 6). Those accusations didn't make it into this indictment, however.

But this indictment does include a text exchange between Harris and Novus nurse **Taryn Stuart**, where Harris tells her to take over for nurses who weren't "doing their job" (sic). Harris texted Stuart that "I told this chick that if she would just give her 1 ml of Ativan and turn her she would die." Harris then texted "[expletive] woman is still alive ... I need boots on the ground," according to the indictment. After Stuart took over the patient and the patient died, Harris texted "nice work," the feds say.

It's stories like these that could have a serious chilling effect on hospice referrals, industry veterans fear. And that will restrict access to much-needed hospice services.

Take Your Pick Of Fraud Charges

The indictment alleges that from July 2012 to September 2016, Novus billed Medicare and Medicaid more than \$60 million for fraudulent hospice services, of which more than \$35 million was paid to Novus. The rest of the allegations laid out in the indictment hit many of the fraud hot spots hospices face, including:

Ineligible patients. The defendants and others often identified ineligible patients for services and had medical directors sign bogus paperwork for them, prosecutors say. To persuade patients to agree to hospice care, co-owner **Amy Harris** (Brad Harris' wife) would tell them she was from their insurance company or worked for their doctor, according to the indictment.

False documentation. Novus "routinely gave medical directors' login information to others to log into Novus's electronic medical records database to create and sign physician orders for services that had not been performed or had not been performed by the medical directors," the DOJ says in the release.

Upcoding. "Harris would direct that beneficiaries be placed on continuous care, whether the beneficiaries needed this service or not," the DOJ says. "This decision would often be made without any consultation with a physician."

Kickbacks. Five of the 16 people indicted are physicians who served as Novus medical directors (see story, p. 29).

ALFs. Novus also provided remuneration to assisted living facilities, including free Certified Nursing Assistant staffing, in exchange for referrals, the indictment alleges.

Concealment. Upon learning of the investigation and believing a search warrant was imminent, the Harrises and others shredded and removed documentation from the Novus office.

Marketing Execs Among Those Indicted

Harris' goal was to grow his hospice agencies quickly and sell them for a profit, the indictment says.

In addition to the husband-and-wife co-owners, LVN Stuart and the five medical directors, the grand jury also indicted Novus Director of Operations **Melanie Murphey**; Director of Nursing **Mary Jaclyn Pannell**; Director of Marketing **Slade Brown**; VP of marketing **Samuel Anderson**; RN manager **Jessica Love**; RN manager **Tammie Little**; after-hours triage RN **Patricia Armstrong**; and home physician company owner **Ali Rizvi**.

"That tens of millions of dollars were stolen through fraud is shocking enough," says Texas U.S. Attorney **John Parker**. "That these defendants used human life at its most vulnerable stage as the grist for this scheme displays a shocking level of depravity that this community simply cannot tolerate," Parker says in the release.

Note: To read a copy of the indictment posted by The Dallas Morning News, go to www.scribd.com/document/340555806/Federal-indictment-in-60-million-Medicare-fraud-scheme.