Eli's Hospice Insider

Hospice News: For-Profit Hospices Painted With Broad Fraud Brush

Press coverage of hospice closure 'distorted,' industry expert maintains.

The hospice industry's reputation has gotten a black eye, thanks to a mainstream press article examining the closure of a hospice that exceeded its per beneficiary caps.

In an article titled "Hospices Dumping Patients While Escaping Millions Owed to U.S.," financial news service Bloomberg profiles the closure of **Sojourn Care Inc.** of Tulsa, Okla. Sojourn owners **Lois Armstrong** and **David Daucher** closed the for-profit hospice in October to get out from under more than $27 million in overpayments it owed Medicare due to the caps.

The same week, they opened a new hospice, **RoseRock Healthcare**, with new owners. Rose-Rock cherry picked patients and staff from Sojourn and left undesirable patients without service, the article accuses. Through an attorney, Armstrong and Daucher deny any wrongdoing in the article.

Former Sojourn employees allege that the hospice kept ineligible patients on service for too long, according to the article.

The Bloomberg article echoes concerns about for-profit hospices serving long-stay patients voiced in recent **Medicare Payment Advisory Commission** meetings.

Impact: The timing of the article could be harmful to hospices as Congress considers where to trim Medicare reimbursement to pay for the doc fix, notes consultant **Tom Boyd** with **Boyd & Nicholas** in Rohnert Park, Calif. And it could weigh on lawmakers' minds as they negotiate a 2013 budget.

However, the article is "distorted, as the refund is for being over the hospice cap which has been challenged in court with some success," Boyd tells **Eli**.