

California SMP Shows How Hospice Fraud Threatens the Health of Beneficiaries



Micki Nozaki
Director, California SMP

Seventy-seven-year-old Elena reached the SMP hotline after being referred by her county's legal aid agency. Tearfully, she explained in her native tongue that she was at the mercado when a young woman approached her and offered her a free wheelchair. Elena said, "She told me the new one is better than the chair I have now and I don't have to pay because it's from Medicare. So, I let her take a picture of my Medicare card with her cell phone. Then she asked me to sign a form. I still don't have my chair and now my ear and eye doctors won't see me. My cardiologist said he can't write me a prescription because I'm on hospice. What is hospice? Can you help me?"

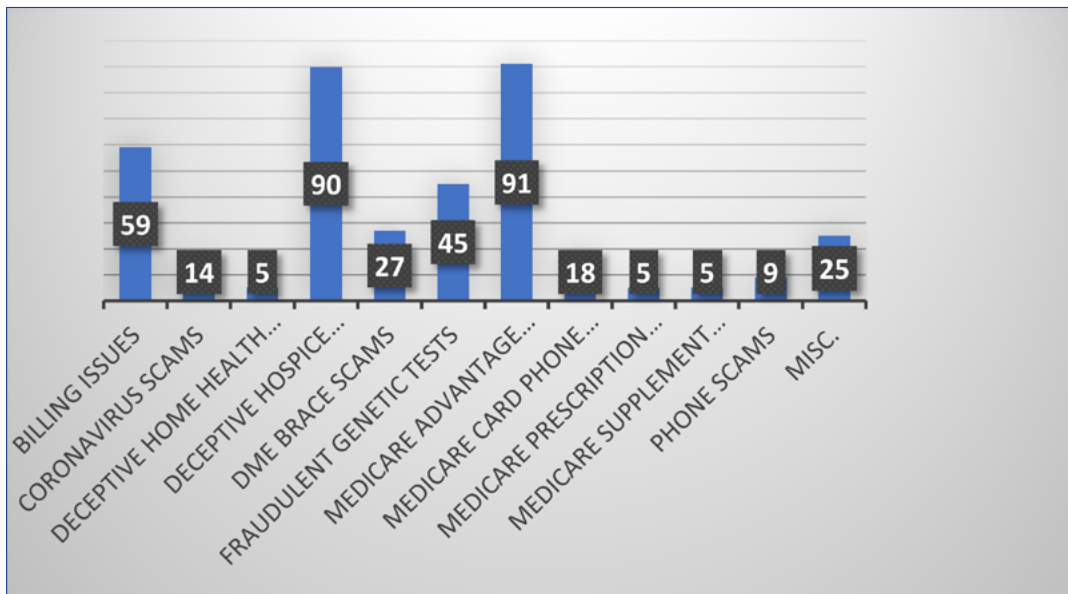
Eighty-two-year-old Leticia is a breast cancer survivor. She told SMP that a very nice lady came to her senior apartment building and offered many of the residents \$50 cash and free Ensure shakes if they signed up for "a new Medicare program that helps seniors." Leticia and several of her elderly neighbors gave up their Medicare information and signed papers, which were printed in English. Leticia called SMP after her pharmacy refused to fill her prescription for [Anastrozole](#), a medication that decreases the amount of estrogen the body makes and helps to slow or reverse the growth of breast cancer. Leticia had been taking the life-saving drug for six years; now it was denied to her.

Hospice Fraud in California

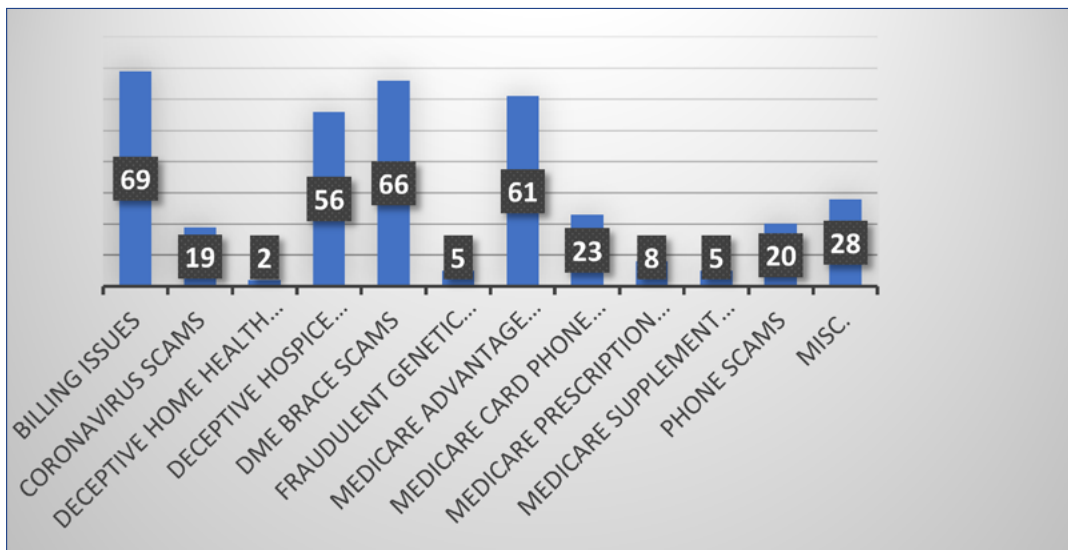
Neither Elena nor Leticia is terminally ill and therefore not eligible for the Medicare hospice benefit. But that simple fact didn't deter the hospices that fraudulently enrolled them in the benefit. As the prospectors of long ago declared, "There's gold in them thar hills!" Medicare's hospice benefit can pay hundreds to thousands of dollars a day per patient. Elena's most recent Medicare Summary Notice (MSN) shows Medicare paid \$4,000 in one month for 17 nurse visits that did not occur.

Medicare hospice fraud is so lucrative that criminal fraudsters lie, cheat, and steal their way into the hearts of our most vulnerable and at-risk beneficiaries.

Our California SMP saw a notable increase in hospice fraud complaints over the last year. During 2021, about 25% of total SMP complex interactions involved deceptive hospice enrollment. (See Graph 1.) This is in comparison to 15% in 2020. (See Graph 2.)



Graph 1: Category breakdown of California SMP 2021 complex interactions

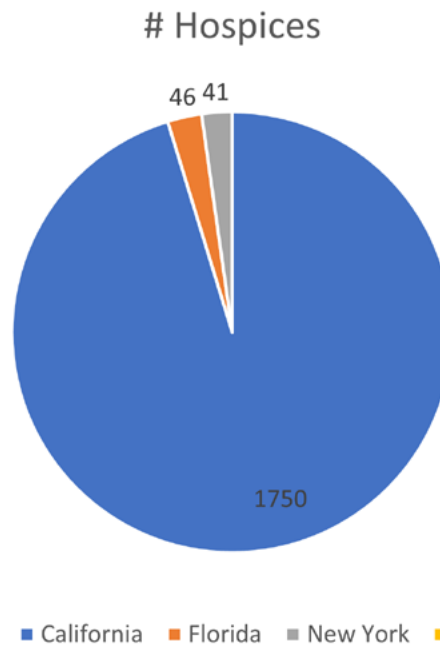


Graph 2: Category breakdown of California SMP 2020 complex interactions

The data is not surprising. Our law enforcement partners pronounced Southern California “the hotbed for hospice fraud.” That sentiment is corroborated by the California Hospice and

Palliative Care Association (CHAPCA), which counts over 1,750 hospices in the state, most located between Bakersfield and the southern border with Mexico. In comparison, CHAPCA approximates 46 hospices in Florida and 41 in New York. (See Graph 3.)

Medicare hospice fraud is so lucrative that criminal fraudsters lie, cheat, and steal their way into the hearts of our most vulnerable beneficiaries.



Graph 3: State comparison of hospices

SOURCE: California Hospice and Palliative Care Association (CHAPCA)

Our Practices

As we analyzed the case data over the last year, it was soon apparent that the hospice fraud victims who reach out to SMP identify, for the most part, as Hispanic or Latino. Moreover, as we work through the complaints, we learn that the victim beneficiaries are elders with limited English proficiency and, faultlessly, a decidedly insufficient understanding of Medicare.

Again, this is no surprise to us. Medicare is complex and most recipients have at best a very basic understanding of the system. This lack of health care literacy makes them vulnerable to the criminal fraudsters and scammers. Cultural challenges and language barriers only serve to magnify the problem.

In recognition for the amazing diversity of our state, we began to conduct webinars in Spanish, and our media and website expert Karen Fletcher now posts our fraud prevention materials in nine languages. Additionally, working with our SHIP partners, our

translated SMP alerts are exhibited in transit shelters, published in local newspapers, and distributed at local shredding events and outreach sessions to county Social Security case workers.

Partnership is Essential

We are relentless in our search for advocate partners who serve our various ethnic communities. Not only is this the right thing to do, but it's also imperative. With a handful of SMP staff, our program covers a state of 39.6 million residents and 6.4 million Medicare recipients. And according to U.S. Census Bureau [statistics](#), "Hispanics are the largest racial/ethnic group in California."

Working with our SHIP partners, our translated SMP alerts are exhibited in transit shelters, published in local newspapers, and distributed at local shredding events and outreach sessions to county Social Security case workers.

Thus, we are grateful when we connect with organizations that assist us in our mission. Late last year, we formed an agreement with a legal assistance agency serving the low-income Latino population in Imperial County. Imperial is the southernmost county in California, adjacent to Mexico. The agency's clients

include residents from towns like Calexico, California. Situated on the Mexican border, Calexico's [residents are](#) 97.8% Hispanic or Latino, and more than 15% are over the age of 65. Additionally, 4.53% of Calexico residents speak only English, while 95.47% speak other languages. The non-English language spoken by the largest group is Spanish, which is spoken by 94.58% of the population.

After we penned a memorandum of understanding, SMP Case Manager Sandy Morales provided other key staff with a program orientation and fraud prevention training. Our partner then launched an outreach campaign to educate seniors in Calexico. They have already referred several hospice and durable medical equipment (DME) fraud cases.

These are some of the client encounters they shared:

- People begin to line up at the food bank at 4 a.m. Between 4 a.m. and 6 a.m., a woman sets up a table nearby and collects personal information from those who stop to chat with her. She tells them that she represents an agency that will connect them to resources that will give them caregiver assistance, wound care, and nurse visits – all free from Medicare, at no cost to them. "I see you're not walking so good" she says to one gentleman. "We can get you a walker or a wheelchair."

- This same woman who set up the table at the food bank then moves to the 99 cent store, which has the highest sales of all 99 cent stores in California. “Everyone goes there,” she says. And the woman repeats her pitch – all the while snapping photos of peoples’ IDs and Medicare cards with her smart phone.
- Carla, an attorney with the agency, shares that hospice fraud even hit her own family. Recently her diabetic uncle asked her for help after his pharmacy refused to fill his insulin prescription. “We found out that he was fraudulently enrolled in hospice. It really hit home!” she said.
- We are often asked how we find and engage with our partners. Some reach out to us by word of mouth. For example, we work closely with Tina, a health care clinic social worker at a clinic that serves low-income residents in Los Angeles. A co-worker told her about SMP. Tina reviews Medicare eligibility for the clinic and frequently comes across patients who are fraudulently enrolled in hospice. Knowing that her patients cannot afford a gap in health care, she calls SMP in order to unravel the fraud and have the hospice indicator removed from the victims’ Medicare records.

More often, we vigorously search the state for advocate partners. We are not shy about cold calling. And we are persistent. We reach out until we connect with the appropriate nonprofit and the person in charge. We explain who we are and what we do and describe our mission and potential synergies. Once we receive and agree on their proposal and the activities they intend to conduct, we offer subgrants based on the organization’s proposal and the extent of their intended activities, we craft a formal agreement, and we always require reports detailing the organization’s achievements and metrics relative to SMP’s objectives.

We are relentless in our search for advocate partners who serve our various ethnic communities.

Our partners also assist us in local media outreach. Through their network contacts, SMP Special Projects Manager Jasmine Suo succeeded in having our newest hospice fraud advisory published in the local [Calexico newspaper](#) and also made contact with the Mexican Consulate, where the advisory flyer is posted and distributed.

As a final point, we have a formidable challenge. Yet, with our commitment and the resources afforded to us by our grantor, we

persist. Nothing less than our beneficiaries' health, welfare, and well-being is riding on it. ↗



A Personal Testament to Hospice

We put Mom on hospice on Christmas Day 2021. She had had several TIAs and was in agonizing pain. We watched helplessly as she clenched her fists to ward off the searing headaches; we bent close to decipher her garbled words. Her primary doctor was on vacation; we were frantic. Her health plan put us in touch with a hospice. It's weeks later and the hospice care has been a godsend. Mom is slowly regaining some semblance of normalcy. I write this paper as a testament to the blessing that Medicare hospice is. And as a public appeal. We cannot allow criminal fraudsters to deny us the vital benefits afforded to beneficiaries. Please help us fight Medicare fraud. Thank you. – Micki Nozaki