

April 9, 2021

Senator Richard Pan, Chair
Senate Health Committee
State Capitol, Room 2191
Sacramento, CA 95814

Sent via California Legislature Position Letter Portal

RE: SB 664 (Allen) – Support

Dear Senator Pan:

On behalf of California Advocates for Nursing Home Reform, I am writing in strong support of SB 664, which would impose a temporary moratorium on the issuance of new licenses to provide hospice services.

Senator Allen’s bill responds to a remarkable investigation and series of articles by the Los Angeles Times in December 2020 on audacious, widespread fraud by hospices in Los Angeles County and California.¹

The Times’ reports the number of hospices in Los Angeles County multiplied sixfold during the last decade and now is home to over 600 agencies, the highest concentration of hospices in the nation. Astonishingly, the cities of Burbank, Glendale and Van Nuys each have more hospices than the entire states of New York, Florida, and others. Virtually all of the explosive growth has involved for-profit operators. In Los Angeles County, 97% of hospices are for-profit.

California is the epicenter of hospice fraud and abuse. The Times’ investigation found hundreds of instances in which California hospice patients were harmed, neglected or put at serious risk. Quality of care failures ran the gamut from mismanaged medications to neglected wounds that became infested with maggots. In some cases, nurses and home health aides repeatedly missed appointments or slept on the job as patients lay writhing in pain.

Pointing out the need for reform, the Times reported that those responsible for fraud, abuse and neglect rarely suffer any consequences due to extremely poor oversight and the almost complete absence of any penalties.

¹ Los Angeles Times, [End-of-life care has boomed in California. So has fraud targeting older Americans](#); and [Dying Californians suffer harm and neglect from an industry meant to comfort them](#), December 9, 2020.

The Times' alarming findings are not unique. Numerous other government and media investigations have documented fraud, abuse and poor oversight in hospice care.²

Decades ago, non-profit hospices pioneered the hospice movement as a mission to provide humane care to those who are dying. That era is long over in California, where non-profit operators have been crowded out by the extreme proliferation of for-profit operators, many of whom are in the business for all the wrong reasons.

Unscrupulous hospice operators thrive in California because there is almost no meaningful oversight. Inspections are rare, complaint investigations incredibly slow and penalties nonexistent. About 80 percent of hospice providers in California have their only inspections conducted by private accreditation agencies that they choose; a system where the fox guards the henhouse. The lax oversight and lucrative Medicare payments are an invitation for fraud and abuse.

There is a desperate need for basic oversight and accountability. At the very least, California needs to conduct hospice inspections annually, establish a hospice complaint hotline, investigate complaints immediately, impose sanctions on substandard hospices and give the public online access to reliable information that makes it easy to distinguish good hospices from bad ones.

It is time to hit the pause button on hospice expansion in California. SB 664's moratorium will prevent more bad actors from entering the hospice business while giving the state time to create a system that screens operators to ensure they are qualified and that their services are needed.

Californians who are dying deserve far better than to be exploited by corrupt hospice providers. Please help pave the way for needed hospice reforms by voting yes on SB 664.

Sincerely,



Patricia L. McGinnis
Executive Director

cc: Senate Health Committee members

² See, for example, U.S. Department of Justice, [Hospice Administrator Sentenced for Role in Hospice Fraud Scheme](#), February 19, 2021; HHS Office of Inspector General, [Hospice Deficiencies Pose Risks to Medicare Beneficiaries](#), July 2019; HHS Office of Inspector General, [Safeguards Must Be Strengthened to Protect Medicare Hospice Beneficiaries From Harm](#), July 2019; HHS Office of Inspector General, [Vulnerabilities in the Medicare Hospice Program Affect Quality Care and Program Integrity](#), July 2018; Sacramento Bee, [California hospices face lax oversight and few rules. The sick and dying pay the price](#), August 28, 2019; Los Angeles Times, [Column: After my mother's disastrous hospice experience, we filed a state complaint. It came to nothing](#), August 10, 2019; Washington Post, [Quality of U.S. Hospices Varies. Patients Left in Dark](#), October 26, 2014; California Health Report, [How California Can Fix Its Hospice System and Reduce Care Inequities](#), January 12, 2021.