



When it's time for a trusted partner

A Case for a Moratorium on Hospices in Nevada

Nathan Adelson Hospice

Nathan Adelson Hospice is the hospice of choice, employer of preference, training center of excellence and the community's trusted partner for comprehensive end-of-life care.

It is our vision that no one ends the journey of life alone, afraid or in pain.

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Summary

Nathan Adelson Hospice, Southern Nevada's first home care hospice and non-profit hospice, has been in Las Vegas for 45 years. In the last 10 years, we have seen unnecessary growth, abuse, and neglect of the benefit. Along with the significant increase in hospices and an increase in questionable, unethical, and potentially illegal practices by other hospice providers. We believe this has been fueled by neighboring states cracking down on bad practitioners, which led them to relocate to Nevada. There have been several investigative articles, including one published by the Los Angeles Times¹ and one by ProPublica,² that outline detailed fraud and abuse cases. These articles have led to legislation, including a moratorium on hospices in California. The mission of hospice is to allow people a peaceful, pain-free exit, but as private equity takes over end-of-life care, many people are suffering, and policymakers must better regulate this critical health care service. Hospice care was almost exclusively a nonprofit service, but for-profit firms have now taken it over. The average profit margin of a for-profit hospice is approximately 20% versus the average profit margin of a non-profit hospice is 3%. A 2023 review of more than 650,000 patient and family surveys about experiences with hospice care, conducted by the RAND Corporation, found that, on average, families reported having worse care experiences with for-profit hospices and were less likely to recommend for-profits to their peersⁱⁱⁱ.

We propose a two-year moratorium on hospices in Nevada to stop bad actors from coming to the State. In addition, this will allow time to study the issue and determine if other legislation is needed to protect Nevadans.

Introduction and Background

The term "hospice" comes from the same root word as "hospitality" and can be traced back to early Western Civilization when it was used to describe a place of shelter and rest for weary or sick travelers on long journeys. The term was first applied to specialized care for dying patients in 1967 at St. Christopher's Hospice in a residential suburb of London. Cicely Saunders, a physician, and social worker conceived this type of care to ease the suffering of the dying by managing their pain and symptoms and offering emotional support to them and their loved ones.

Nathan Adelson Hospice (Nathan) was founded in Las Vegas, Nevada in 1978 by Irwin Molasky and Merv Adelson. The founders include individuals who are key contributors to the Las Vegas community: Elaine Wynn, Sig Rogich, Al Benedict, Thalia Dondero, Jerry Mack, Hank Greenspun, and Parry Thomas, to name a few. Their vision was that no one should end the journey of life alone, afraid or in pain. We are Southern Nevada's oldest non-profit hospice provider. Nathan is privileged to have cared for almost 80,000 people since its inception. During the past four decades, it has been an honor to provide the most comprehensive hospice care to all in our community, regardless of their ability to pay. Nathan's philosophy is to provide support and care in the last phase of incurable disease so that people may live as fully and as comfortably as possible. We seek to enable patients to carry on an alert, pain-free life and to manage other symptoms so that their last days may be spent with dignity and quality, at home or in a home-like setting. Leadership promotes an environment that requires legal and ethical behavior and acting with integrity. Many other hospices provide incentives to staff or healthcare providers for

¹ [Hospice industry growth marked by fraud, deficient care - Los Angeles Times \(latimes.com\)](#)

² [Endgame: How the Visionary Hospice Movement Became a For-Profit Hustle](#)

³ [For-Profit Hospices Often Deliver Worse Care, U.S. News and World Report. 2023](#)

referrals. Nathan does not incentivize the business development team, admission representatives, or any other employees to sign patients on to hospice or make referrals. Neither physicians who work for Nathan nor contracted physicians have a financial interest based on referrals. At times, this practice limits physician recommendations. Nonetheless, Nathan Asleson Hospice principles and values require all referrals to meet the eligibility definitions and be free from financial gain or other incentives that may illegitimately influence appropriate referral to hospice.

As a non-profit organization, Nathan never turns anyone away due to an inability to pay. All the revenue generated is invested back into the hospice and patient care. Patients are provided with palliative therapies and medications based on need and choice, not cost. Since its inception, Nathan has annually provided \$1.2 million in special programs and uncompensated care to uninsured or underinsured individuals without financial resources. We go above and beyond the required hospice services, by meeting patient needs with complementary therapies, such as pet therapy, assistance with food delivery, and assistance with rent, utilities and other basic needs that help a patient and her family with quality of life at the end of life.

Patients' families provide feedback through the Consumer Assessment of Providers and Systems (CAHPS) Hospice Survey. A third-party vendor collects and analyzes the responses. Eight quality measures calculated from CAHPS are included in the Hospice Quality Reporting Program that are publicly reported on the Medicare Hospice Compare website.³ Nathan performs better than the state and national benchmarks in five of the eight measures related to patient care and managing symptoms. Smaller hospices have no reporting requirements, so it is difficult to assess the quality of patient care.

Nathan welcomes the competition. We are recognized as the premier hospice in Southern Nevada and, although we have always had market competitors, we remain the primary choice for patients and families in our service area. In 2022, Nathan reported an average daily census of 356 patients in Clark County. Nathan had approximately 28% total market share compared to the next closest competitor, which had 12% of the market share. However, we do not welcome unethical practitioners driven simply by profit because it is bad for patients. According to the ProPublica article published in November of 2022:

For-profit providers comprised 30% of the field at the start of this century. Today, they represent more than 70%, and between 2011 and 2019, research shows, the number of hospices owned by private-equity firms tripled. The aggregate Medicare margins of for-profit providers are three times that of their nonprofit counterparts. Under the daily-payment structure, a small hospice that bills for just 20 patients at the basic rate can take in more than a million dollars a year. A large hospice billing for thousands of patients can take in hundreds of millions. Those federal payments are distributed in what is essentially an honor system.⁴

Nathan Adelson Hospice is extremely concerned about the rapid proliferation of hospice agencies in Southern Nevada due to the impact on the quality of patient care and the potential for fraud and unethical practices. In a recent letter sent to the U.S. Centers for Medicare & Medicaid Services (CMS) Administrator, dated November 9, 2022, the leading national hospice organizations, Leading Age, the

³ [Medicare Hospice Compare](#)

⁴ [Endgame: How the Visionary Hospice Movement Became a For-Profit Hustle](#)

National Association for Home Care & Hospice, the National Hospice and Palliative Care Organization, and the National Partnership for Healthcare and Hospice Innovation, expressed the same concern.

Also, in 2022, following a ProPublica exposé on hospice care, the bipartisan leaders of the Comprehensive Care Caucus sent a letter to CMS and the Office of the Inspector General stating, “Medicare fraud cannot be tolerated, especially when it is being perpetuated on our nation’s most vulnerable patients.”⁵ The ProPublica exposé was also cited by New York lawmakers who are considering signing legislation to ban for-profit hospices.

The Problem

The rapid growth in hospices can lead to fraud, unethical practices, and poor patient care. Licensure practices and weak oversight of hospice agencies have created opportunities for large-scale fraud and abuse in the Medicare and Medicaid programs. For example, a recent audit in California found multiple hospices at the same address without a corresponding increase in the eligible patient population to be served in the area, as well as specific individuals holding top management positions for multiple hospice entities at the same time.⁶ The California State Legislature and the California Department of Public Health have taken steps to curtail this disturbing growth in hospice providers. In January 2022, California put a moratorium on new hospices in place. This was partly in response to a December 2020 Los Angeles Times investigative series on the hospice industry that included illegal practices, such as kickbacks to doctors and recruiters.⁷ With this moratorium, bad actors have moved into neighboring states such as Arizona, Texas, and Nevada with these unethical and potentially illegal practices.

Nathan professionals have witnessed questionable, unethical, and potentially illegal practices firsthand and have been documenting specific cases. The impact on patients and their families is truly heartbreaking and no one who calls themselves a healthcare provider should ever do what has been done with some patients in our community. These are just a few examples from 2023, and specific names will be withheld due to patient privacy. One patient who transferred to Nathan Adelson Hospice was suffering from shortness of breath, and when she called her hospice provider was told by her nurse to call 911, as she was caring for over 200 patients and could not help her (it is the job of hospice to provide care and manage symptoms, not to refer them to 911, that is why they sign on to hospice). In several other cases, patients transferred to Nathan for care because they had not received a visit from a nurse in over four weeks (this is against Medicare rules). We admitted a patient who transferred from another hospice with severe open wounds that had not been cared for. One patient had been under the care of another hospice for a year, and now was actively dying and needed immediate care; he was told to call 911 so the hospital could refer him to Nathan’s inpatient unit. There have been many cases where hospices caring for patients at home who now need inpatient care are told to call us or go to the hospital. We have also had patients who had been signed on to other hospices even though they had no ability to make healthcare decisions for themselves, and we were contacted after their healthcare power of attorney realized what had happened.

⁵ [Congress and Industry Leaders Call for Crackdown on Hospice Fraud](#)

⁶ Auditor of the State of California, [California Hospice Licensure and Oversight](#). March 2022.

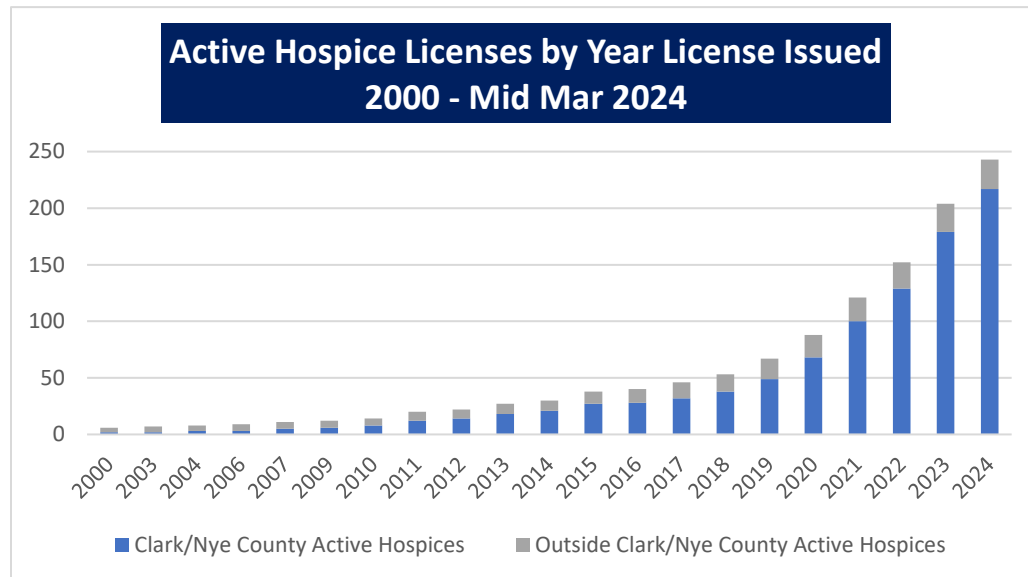
⁷ [Large-scale fraud’ and lax oversight plague California’s hospice industry, audit finds](#).

We have countless examples of patients receiving substandard care and operators not adhering to the CMS Conditions of Participation for hospice. CMS makes it very clear that patients have a right to choose the hospice they want for their care.

We are afraid that patients' right to choose is being eroded in our community.

In Nevada, 56 new hospices were Medicare certified between 2018 and 2020. Fifty-seven percent of all hospices now providing care in Nevada are CMS certified (see Table 1: State of Nevada, Currently Active Hospice Licenses by Year). Appendix A shows the number of new hospices nationwide in 2023. You will note that the western states have been inundated with new providers.

Table 1: *State of Nevada, Currently Active Hospice Licenses by Year*



In addition to unethical and potentially illegal practices, the quality of patient care may also be impacted.

The hospice business has some of the biggest returns for the least amount of effort of any sector in American health care. Medicare pays providers a set rate per patient per day, this is supposed to include specific care, such as a nurse visit at least twice a month, visits by certified nursing assistants, and visits from a social worker). But the payments are made regardless of how much help they deliver. Since most hospice care takes place at home and there is little oversight, it's not difficult to keep overhead low.⁸ Long hospice stays mean more profits, and stable patients who need less medications and supplies than those in the final stages are more profitable to the hospice. Two doctors must initially certify that a patient is terminally ill, but patients can be recertified again and again. Disease diagnosis and location of care are different. Companies have been known to "cherry pick" the patients who will live longer, not admit Medicaid patients, may not take patients who are being discharged from the hospital, etc.

These facts make it easy for bad players to come into the market.

⁸ [Endgame: How the Visionary Hospice Movement Became a For-Profit Hustle.](#)

The Solution

We propose a moratorium for two (2) years on new hospices to stop bad actors from establishing new hospices in Nevada.

A comprehensive compliance approach aimed at hospice providers is good “medicine” and essential to protecting patients, compliant hospice organizations, and the Medicare program generally. When similar problems were occurring in the home health program, CMS took decisive action to maintain the integrity of the benefit through imposition of temporary moratoria on the admission of new agencies in select areas of the country. We believe that targeted moratoria and similar actions directed toward high-risk providers could serve as a valuable means for blocking or eliminating from the hospice program those who engage in questionable, unethical, and potentially illegal activities that harm patients and families and taint the reputation of the broader hospice provider community. In addition to federal action, we believe that action by the State of Nevada is needed.

Conclusion

Despite being one of the wealthiest countries in the world, the U.S. is one of the worst places to die. In a study comparing quality of death and dying, the U.S. ranked 43rd out of 81.⁹ While it may seem daunting, we must fix hospice care. Existing policies should be strengthened and enforced; policies related to private equity firms to prevent anticompetitive mergers and acquisitions should be enacted, and new policies to close loopholes that corrupt agencies can exploit, should be developed.

Caring for people who are dying has become a big business. We should not let corporate greed dictate the care that vulnerable patients receive. We urge Nevada legislators to impose a moratorium on new hospices in Nevada to protect patients.

⁹ Finkelstein EA, Bhadelia A, Goh C, Baid D, Singh R, Bhatnagar S, Connor SR. Cross Country Comparison of Expert Assessments of the Quality of Death and Dying 2021. *J Pain Symptom Manage*. 2022 Apr;63(4):e419-e429. doi: 10.1016/j.jpainsymman.2021.12.015. Epub 2021 Dec 22. PMID: 34952169.