

Hospices dump patients and escape millions owed to U.S.

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Lois Armstrong and David Daucher closed their for-profit hospice in October to get out from under more than \$27 million in refunds it owed the federal Medicare program, they said.

The same week, they opened a new hospice with new owners. As a result, the refunds, owed to Medicare for five years' worth of overpayments to Sojourn Care Inc. of Tulsa, Oklahoma, may never go back to taxpayers. The government links the debt to Sojourn Care, not to its owners, said Brian Daucher, an attorney for the company who is David Daucher's nephew.

"Individuals can walk away from it," Brian Daucher said.

The demise of Sojourn Care, and the creation of its successor, RoseRock Healthcare, illustrate how hundreds of hospices across the U.S. exploit quirks in the Medicare payment system that yield higher reimbursements — with results that can hurt taxpayers and patients, said Tulsa physician Sandra Dimmitt. She had more than 30 Sojourn Care patients in a half-dozen nursing homes when the hospice shut down.

"My patients were dumped out in the cold," said Dimmitt, a former Sojourn Care medical director. "How can you close one Medicare license, open another and leave the public holding the bag for your debts? Medicare should be irate."

Armstrong said Sojourn Care worked hard to transfer all but a few patients to other providers. Carolina Fortin-Garcia, a spokeswoman for the federal Centers for Medicare & Medicaid Services, or CMS, declined to comment on Sojourn Care.

Armstrong and David Daucher took about 100 of Sojourn Care's more desirable patients with them to the new hospice, according to interviews with 18 former Sojourn Care nurses, home-health aides, marketers and doctors. About 180 other patients, including Merlin Upshaw, were cut loose to find new caregivers, the former employees said.

Upshaw lost his wheelchair, his toilet riser, his special hospital bed and his favorite nurse, Clara, when the hospice shut, said his daughter, Mary Hendricks. Ten days later, after enrolling in a different program, Upshaw, 92, died of old age, "in a rickety old bed, on a really hard mattress," she said.