

*CBS Mornings*

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7:35:29 a.m. Central [TEASE]

9 seconds

[ON-SCREEN HEADLINE: Coming Up; Hospice Care Fraud]

VLADIMIR DUTHIERS: All right, coming up, rampant fraud in the hospice care industry. We will show you the shocking results of a CBS News investigation.

(...)

7:40:03 a.m. Central

3 minutes and 44 seconds

GAYLE KING: For people reaching the end of their life due to illness, hospice care helps them get through their final days. Medicare often pays for almost all of it, making it very ripe for fraud. So according to a watchdog report, suspected Medicare hospice fraud totaled almost — listen to this number — \$200 million in 2023. A CBS News investigation found that four years after California vowed to stamp out fraud, many hospices with red flags still remain in business to this day. Adam Yamaguchi shows us what this means for your tax dollars.

ADAM YAMAGUCHI: Sixty-nine-year-old Dr. Lynn Ayani (sp?) was, according to Medicare records, dying in hospice care two years ago, something she discovered when she sought physical therapy for pickleball injury.

DR. LYNN AYANI: I was shocked. They said, “You’re in hospice.” And I said, “What? What are you talking about? Do I look like a mess.” So she was “No, no!”

YAMAGUCHI: Ayani’s Medicare number had been stolen and used by a company to fraudulently enroll her in hospice care, which she obviously didn’t need.

AYANI: Just to think you’re literally without coverage because of some ridiculous fraudulent thing.

YAMAGUCHI: My name is Adam Yamaguchi. I’m with CBS News. A CBS News investigation found an industry ripe for fraud, especially in California. Companies accused of over billing, real patients denied care, and it is costing hundreds of millions of taxpayer dollars. The hospice Ayani was fraudulently enrolled in is called Fortuna. When we called, no one answered.

AUTOMATED RESPONSE: Does not accept any message at this time.

YAMAGUCHI: The state of California increased monitoring of the hospice industry four years ago, identifying the potential hallmarks of fraud. CBS News analyzed every hospice licensed in L.A. County, more than 1,700 and checked for the same warning signs the state used, like

multiple hospices packed into one building or caregivers whose patients supposedly at death's door are discharged alive.

[ON-SCREEN HEADLINE: CBS News Investigations; Major Hospice Car Fraud Red Flags in Los Angeles]

SHEILA CLARK: You can't throw a rock without hitting a hospice.

YAMAGUCHI: We brought our findings to Sheila Clark, a hospice patient advocate, showing her the more than 700 agencies with three or more signs of potential fraud. Clark took us through an area of Los Angeles that's home to nearly 500 hospice company offices in just a three-mile stretch. [TO CLARK] There's one hospice here that hits all six of California's red flags of possible fraud.

CLARK: Well, there's no hospice there.

YAMAGUCHI: Legal office —

CLARK: Yes.

YAMAGUCHI: — with ton of mail just sitting there. This provider is still licensed with the state. Clark tells us when offices like these close abruptly, it's real patients in desperate need who pay the price. [TO CLARK] How does that make you feel?

CLARK: Sad. Really sad, because I talk to them every day. I'm sorry, I can't — I am going to cry!

YAMAGUCHI: California Attorney General Rob Bonta is responsible for investigating the industry in the state. [TO BONTA] I wonder how they can go for a full year and still not have their license revoked. Is that a systemic failure?

CALIFORNIA ATTORNEY GENERAL ROB BONTA (D): We need to be responsive to the red flags and react to them, not just count them, but do something. Take action.

YAMAGUCHI: Bonta says his office has brought criminal cases for hospice fraud against 109 defendants.

BONTA: We will continue until hospice fraud in California is rooted out.

YAMAGUCHI: Though Medicare is federally administered, the state licenses hospices to be able to operate. Now, California extended a moratorium on new hospice licenses through next year. Officials tell us they're still working on emergency regulations to hold those hospices accountable. Those regulations were supposed to be added at the beginning of this year, Nate.

NATE BURLESON: Adam, this hits so close to home. My mom and dad, who live in San

Francisco are dealing with this with very close family members. Thank you.