

Congress of the United States
House of Representatives
Washington, D.C. 20515

January 9, 2026

T. March Bell
Inspector General
U.S. Department of Health and Human Services
330 Independence Avenue, SW
Washington, DC 20201

Dear Inspector General Bell:

We write to express our concerns regarding evidence that strongly suggests large-scale Medicare fraud involving home health agencies (HHAs) and hospice agencies in Los Angeles County, California, and request a briefing from the U.S. Department of Health and Human Services (HHS) Office of Inspector General (OIG) to better understand the scope of the problem and what is being done to examine and address the issue.

HHAs and hospice agencies provide care to some of the most vulnerable seniors in America – Medicare beneficiaries who require care at home and at the end of life. Millions of beneficiaries rely on home health and hospice each year, and most providers of these services seek only the best interest of their patients.

The illegal actions by a few impact patient care and public trust across the entire sector. As Members of Congress committed to improving patient outcomes and reducing fraud in the health system, not only do we want to ensure taxpayer dollars are spent wisely, but more importantly, we must do all we can to ensure the safety and wellbeing of beneficiaries, who are often unwitting pawns in fraudsters' illegal activities.

Unfortunately, HHAs and hospice programs have been prime targets for fraud, “costing taxpayers billions of dollars annually and jeopardizing the integrity of federal health programs.”¹ It has been noted that “fraudulent practices in this sector not only drain public resources but also compromise the quality of care provided to vulnerable populations, including the elderly and terminally ill.”²

Fraudulent actors in the system not only waste scarce federal resources, but they also jeopardize patient care and tarnish the reputation of good actors. Most concerning, fraudsters often embroil seniors in their illegal schemes, leading to inappropriate or nonexistent care for patients who need it the most.

¹ Reginald Hislop III, *Medicare Hospice and Home Health Fraud, Part 1*, Reg’s Blog (Feb. 21, 2025), <https://rhislop3.com/medicare-hospice-and-home-health-fraud-part-1/>.

² *Id.*

We thank HHS for its efforts to date to curb fraudulent practices. In calendar year 2023, Medicare paid HHAs about \$16 billion for HHA services provided to about 2.8 million people enrolled in traditional Medicare, with nearly 10,000 HHAs participating in Medicare.³ The Centers for Medicare and & Medicaid Services (CMS) “determined through its Comprehensive Error Rate Testing program that the 2023 improper payment error rate for home health claims was 7.7 percent, or about \$1.2 billion.”⁴ While it is unknown how much of the \$1.2 billion in improper payments is fraud, CMS placed HHAs as an area of high risk for Medicare fraud.⁵

With respect to hospice, in fiscal year (FY) 2023, Medicare made \$25.7 billion in hospice claim payments for 1.7 million beneficiaries.⁶ In the 2023 report period (from July 1, 2021 to June 30, 2022), HHS OIG reported suspected hospice fraud to be an estimated \$198.1 million.⁷ Moreover, in 2023 CMS placed hospice agencies as an area of high risk for fraud, requiring more stringent screening and enrollment requirements.⁸ From January to October 2024, the HHS OIG hospice-related enforcement actions included about \$143.81 million in alleged fraudulent activity.⁹ To further evaluate the need for more monitoring of hospices, HHS OIG announced in April 2025 that the Office of Audit Services would work on a report for FY 2026 to identify trends, patterns, and comparisons that could indicate potential vulnerabilities related to new Medicare hospice provider enrollments.¹⁰

It is in the context of the emerging concerns over Medicare fraud in the home health and hospice sectors that the activity in Los Angeles County stands as an outlier. From the start of 2019 through June 2023, the number of HHAs in the U.S. decreased from 8,838 to 8,280—a

³ U.S. Dep’t of Health and Human Services Office of Inspector General, Office of Audit Services, *Medicare Home Health Agency Provider Compliance Audit: Bridge Home Health*, A-05-23-00017, 1 (Dec. 2024), <https://oig.hhs.gov/documents/audit/10136/A-05-23-00017.pdf>.

“Improper payments are payments that do not meet CMS program requirements.

They can be overpayments, underpayments, or payments where insufficient information was provided to determine whether a payment was proper. Most improper payments involve a state, contractor, or provider missing an administrative step.” CMS, *Fiscal Year 2024 Improper Payments Fact Sheet* (November 15, 2024), <https://www.cms.gov/newsroom/fact-sheets/fiscal-year-2024-improper-payments-fact-sheet>.

⁴ *Id.*

⁵ 42 CFR 424.518(c). See also CMS, 2024 Regulation Elation! National Provider Enrollment Conference (Aug. 28-29, 2024), <https://www.cms.gov/files/document/new-and-proposed-provider-enrollment-regulations-npec-aug-2024.pdf>.

⁶ Kim Neuman, *Assessing payment adequacy and updating payments: Hospice services*, MEDPAC (Dec. 13, 2024), https://www.medpac.gov/wp-content/uploads/2023/10/Tab-H-Hospice-payment-adequacy-December-2024_SEC.pdf. In fiscal year 2024, Medicare made \$27.2 billion in hospice claim payments for 1.8 million unique hospice beneficiaries. Centers for Medicare and Medicaid Services, *Hospice Monitoring Report*, Exhibit 8 (Apr. 2025), <https://www.cms.gov/files/document/hospice-monitoring-report-2025.pdf>.

⁷ Holly Vossel, *Hospice Fraud Casts Lengthening Shadow Over Future of Industry*, HOSPICE NEWS (Oct. 11, 2024), <https://hospicenews.com/2024/10/11/hospice-fraud-casts-lengthening-shadow-over-future-of-industry/>.

⁸ 42 CFR 424.518(c). See also CMS, 2024 Regulation Elation! National Provider Enrollment Conference (August 28-29, 2024), <https://www.cms.gov/files/document/new-and-proposed-provider-enrollment-regulations-npec-aug-2024.pdf>

⁹ *Id.*

¹⁰ U.S. Dep’t of Health and Human Services Office of Inspector General, Trends, Patterns, and Key Comparisons Related to New Medicare Hospice Provider Enrollments May Indicated the Need for Further Oversight, Workplan Summary (April 2025), <https://oig.hhs.gov/reports-and-publications/workplan/summary/wp-summary-0000916.asp>.

decrease of about six percent.¹¹ During the same time, the number of HHAs in Los Angeles County increased from 896 to 1,309—a jump of about 46 percent.¹² Moreover, more than 1,400 new Los Angeles County HHAs enrolled in Medicare in the last five years, representing more than 50 percent of all California HHAs and nearly 14 percent of all HHAs nationwide.¹³ The inordinate number of HHAs in Los Angeles County was also noted by MedPAC in its March 2025 report to Congress.¹⁴ According to the report, the number of HHAs participating in the Medicare program increased by 3.4 percent in 2023.¹⁵ The increase “was due almost entirely to growth in the number of HHAs in Los Angeles County, California. Excluding this county, the number of participating HHAs declined by 2.8 percent.”¹⁶ The increase has also generated concern among one of our colleagues in Congress who raised this issue to then-Secretary Xavier Becerra in a hearing before the U.S. House Committee on Ways & Means. This member expressed dismay that, while the Biden Administration urged patience, “more and more fraudulent hospice providers are gaming the system.”¹⁷

There has also been an increase in hospice agencies in Los Angeles County, as noted by the March 2022 California State Auditor’s report.¹⁸ According to the report, Los Angeles County had 1,841 hospice agencies, which was a 1,589 percent increase since 2010.¹⁹ To put these statistics in context, there were about 5,900 hospice care agencies in the entire U.S. in 2022.²⁰ Using this national estimate, Los Angeles County had more than 31 percent of the hospice agencies in the U.S. It should be noted that there were about 58 million seniors in the U.S. in

¹¹ Robert Holly, *Hospice Fraud Back In The Spotlight, With New Data Also Raising Questions About Home Health Care*, HOME HEALTH CARE NEWS (Jan. 30, 2024), <https://homehealthcarenews.com/2024/01/hospice-fraud-back-in-the-spotlight-with-new-data-also-raising-questions-about-home-health-care/>.

¹² *Id.*

¹³ Centers for Medicare & Medicaid Services, The Provider of Services File (POS) - Internet Quality Improvement and Evaluation System (iQIES) - Home Health Agency (HHA), Ambulatory Surgical Center (ASC), and Hospice Providers data, as of July 1, 2025, <https://data.cms.gov/provider-characteristics/hospitals-and-other-facilities/provider-of-services-file-internet-quality-improvement-and-evaluation-system-home-health-agency-ambulatory-surgical-center-and-hospice-providers> (Printout of Excel Spreadsheet of HHA Listings in Los Angeles County and California as of Oct. 16, 2025, on file with Majority Committee Staff). According to the California Department of Health Care Information and Access (HCIA), there were 2702 home health agencies in California. CAHSAN, Home Health Agency Utilization Trends 2014-2023 (Dec. 2, 2024), <https://www.cahsan.org/news/home-health-agency-utilization-trends-2014-2023>.

¹⁴ MedPAC, Report to the Congress: Medicare Payment Policy 225 (Mar. 2025).

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ Hearing with Health and Human Services Secretary Becerra: Hearing Before the H. Comm. on Ways and Means 118th Cong. (2023) (questioning from Rep. Beth Van Duyne), <https://www.youtube.com/watch?v=MO5Wq9pw57Y>.

¹⁸ Auditor of the State of California, *California Hospice Licensure and Oversight: The State’s Weak Oversight of Hospice Agencies Has Created Opportunities for Large-Scale Fraud and Abuse*, Report 2021-123, 25 (Mar. 2022), <https://information.auditor.ca.gov/pdfs/reports/2021-123.pdf>.

¹⁹ *Id.* at Figure 2 and Figure 6.

²⁰ U.S. Dep’t of Health and Human Services Assistant Secretary for Planning and Evaluation, *Hospice Agency Changes of Ownership: An Analysis of Publicly Available Ownership Data*, Issue Brief (Jan. 10, 2025), <https://aspe.hhs.gov/sites/default/files/documents/d5de5b564c2eb67de9c65900ffffca6f/hospice-agency-changes-ownership.pdf>.

2022, with Los Angeles County having approximately 1.49 million seniors, or about 2.5 percent of the nation's senior population at that time.²¹

The California State Auditor's Report further noted that:

Indicators strongly suggest that a network or networks of individual perpetrators in Los Angeles County are engaging in a large and organized effort to defraud the Medicare and Medi-Cal hospice programs. Such fraud places at risk the extremely vulnerable population of hospice patients.²²

The indicators identified in the audit included a "rapid, disproportionate growth in the number of hospice agencies; excessive geographic clustering of hospice agencies; long durations of hospice services; high rates of patients discharged alive; and employees working for a large number of hospice agencies."²³ The excessive clustering is particularly suspicious. For example, the California State Auditor's Report noted that 112 different licensed hospice agencies were located at the same physical address in Van Nuys, California.²⁴ In addition, state auditors in California estimated that hospice agencies in Los Angeles County likely overbilled Medicare by \$105 million in 2019.²⁵

Recent enforcement actions from the Health Care Fraud Strike Force, that includes HHS OIG, further suggest a serious and widespread problem of Medicare fraud in HHAs and hospice agencies in Los Angeles County. Specifically, in May 2025, a large joint task force of federal, state, and local law enforcement agencies announced multiple arrests following a multi-year investigation into Armenian Organized Crime.²⁶ The criminal complaint alleged in part that defendants conspired to commit, and committed, hospice care fraud.²⁷ Specifically, they enrolled unqualified patients in hospice and/or billed for patient services that were not provided.²⁸ This operation dismantled five hospices.²⁹

There have been other cases in the last few years that illustrate the pervasiveness of fraud within HHAs and hospice. For example, in February 2024, "[a] federal jury convicted a [Los

²¹ USA Facts, Our Changing Population: Los Angeles County, California, <https://usafacts.org/data/topics/people-society/population-and-demographics/our-changing-population/state/california/county/los-angeles-county/>.

²² *Id.* at 17.

²³ *Id.*

²⁴ Nevertheless, 15 new hospices received Medicare certification, all with addresses at the same two-story building in Los Angeles, home to more than 100 hospices. Ava Kofman, Medicare Certifies Hospices in California Despite State Ban on New Licenses, Pro Publica (Jan. 25, 2024), <https://www.propublica.org/article/medicare-california-hospice-care-fraud-southwest>.

²⁵ Auditor of the State of California, *California Hospice Licensure and Oversight: The State's Weak Oversight of Hospice Agencies Has Created Opportunities for Large-Scale Fraud and Abuse*, Report 2021-123, 25 (Mar. 2022), <https://information.auditor.ca.gov/pdfs/reports/2021-123.pdf>.

²⁶ *United States of America v. Ara Artuni, Davit Hazryan, Vahagn Stepanyan, and Christian Sedano*, Case No. 2:25-mj-02952-DUTY, Criminal Complaint by Telephone or Other Reliable Electronic Means (U.S. District Court, C.D. Cal., May 15, 2025), <https://www.courthousenews.com/wp-content/uploads/2025/05/ara-artuni-criminal-complaint.pdf>.

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.*

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Angeles County] man for his role in a scheme to defraud Medicare by billing \$2.8 million for hospice services that patients did not need.”³⁰ According to the court documents and evidence presented at trial, the defendant was the medical director of several hospice companies, including one in Los Angeles County, where the defendant “fraudulently certified Medicare patients as having terminal illnesses they did not have so that” Medicare could be billed for hospice services.³¹ Then, in March 2024,

the owner of two [Los Angeles County] based hospice companies, along with his biller and consultant, were sentenced . . . for their respective roles in a scheme that resulted in stealing over \$9 million from Medicare in false and fraudulent claims for hospice services.³²

In February 2025, “a [Los Angeles County] man pleaded guilty to health care fraud, aggravated identity theft, and money laundering in a years-long scheme to defraud Medicare of more than \$17 million through sham hospice companies and his home health company.”³³ The defendant, along with his co-conspirators,

impersonated the identities of foreign nationals to use as the purported owners of the hospices – including using the identities to open bank accounts and sign property leases – and submitted false and fraudulent claims to Medicare for hospice services that were not medically necessary and not provided.³⁴

Allegations of widespread fraudulent activity in Los Angeles County also raise troubling questions about whether home health and hospice Accrediting Organizations (AOs) are adequately examining these organizations upon their enrollment in Medicare to prevent bad actors from participating in Medicare. Some mechanisms exist for CMS to ensure AOs are compliant with CMS-approved accreditation processes, such as validation surveys.³⁵ However, a chorus of home health and hospice industry voices – including those from California – have called for additional oversight of AOs in response to “numerous reports of unethical or illegal practices emerging in recent years.”³⁶ In November 2024, CMS issued a Quality, Safety, and

³⁰ U.S. Dep’t of Justice Office of Public Affairs, *Doctor Convicted of \$2.8M Medicare Fraud Scheme*, Press Release (Feb. 16, 2024), <https://www.justice.gov/opa/pr/california-man-pleads-guilty-connection-16m-hospice-fraud-scheme-and-money-laundering-scheme>.

³¹ *Id.*

³² U.S. Dep’t of Justice Office of Public Affairs, *Two Men Sentenced for Role in \$9M Hospice Fraud Scheme*, Press Release (Mar. 29, 2024), <https://www.justice.gov/archives/opa/pr/two-men-sentenced-role-9m-hospice-fraud-scheme>.

³³ U.S. Dep’t of Justice Office of Public Affairs, *Man Pleads Guilty in Connection with \$17M Medicare Hospice Fraud and Home Health Care Fraud Schemes*, Press Release (Feb. 3, 2025), <https://www.justice.gov/opa/pr/man-pleads-guilty-connection-17m-medicare-hospice-fraud-and-home-health-care-fraud-schemes>; See also U.S. Dep’t of Justice Office of Public Affairs, *California Man Sentenced to 12 Years’ Imprisonment in Connection with \$17M Medicare Fraud Schemes*, Press Release (May 6, 2025). <https://www.justice.gov/opa/pr/california-man-sentenced-12-years-imprisonment-connection-17-m-medicare-fraud-schemes>.

³⁴ *Id.*

³⁵ Accreditation Validation Surveys 42 C.F.R. § 488.9 (2015).

³⁶ Holly Vossel, *Support Mounts for Increased Hospice Accreditor Oversight*, HOSPICE NEWS (Apr. 16, 2024), <https://hospicenews.com/2024/04/16/support-mounts-for-increased-hospice-accreditor-oversight/>.

Oversight memo to surveyors to remind them of the tools at their disposal to address potentially fraudulent activity.³⁷ In the memo, CMS reminded surveyors to closely inspect hospices' Medicare enrollment documents to understand changes in ownership and location.³⁸ The memo, however, does not encourage AOs to pursue other commonsense antifraud measures, like cross-referencing hospices they accredit to identify clear patterns that suggest fraudulent activity, such as multiple hospices being located at one address, like the address in Van Nuys.³⁹

Finally, we note that on November 28, 2025, CMS announced the Calendar Year 2026 Home Health Prospective Payment System Final Rule. As part of the announcement and in response to comments related to HHA and hospice fraud in Los Angeles County, CMS said that it "consider[s] anomalous patterns to determine whether we should review cost reports and claims and might initiate investigation for evidence of fraud, waste, and abuse."⁴⁰ CMS further noted that, "[c]ost report fraud and abusive billing behavior are concerns that need to be addressed by the appropriate channels with the authority to apply enforcement action."⁴¹ Thus, CMS' comments suggest an interest in these fraud concerns, and HHS OIG is an appropriate entity to examine such issues since it has authority to help apply enforcement action.

Given the data and pattern of cases involving HHA and hospice fraud in Los Angeles County, there is sufficient reason to suspect ongoing, systemic Medicare fraud involving HHAs and hospice agencies in Los Angeles County. Therefore, we request a meeting with HHS OIG by January 23, 2026 to discuss these issues, what steps are being taken to address this fraud, and actions to prevent ongoing or future fraud in this space. Please be prepared to discuss the following:

1. The OIG's level of awareness of: Medicare fraud involving HHAs and hospices in Los Angeles County since 2021, including estimates of the amount of fraud.
2. What OIG is doing to address this concern, and any recommended corrective actions.
3. The extent of CMS authorities that could be used to combat fraud in the home health care and hospice, such as suspending payments, imposing enrollment moratoria, and targeted fraud detection.

³⁷ U.S. Dep't of Health & Hum. Servs. Centers for Medicare & Medicaid Services, Center for Clinical Standards and Quality, *Ensuring Consistency in the Hospice Survey Process to Identify Quality of Care Concerns and Potential Fraud Referrals*, Memorandum (Nov. 13, 2024), <https://www.cms.gov/files/document/qso-25-06-hospice.pdf>.

³⁸ *Id.*

³⁹ *Hearing with Health and Human Services Secretary Becerra: Hearing Before the H. Comm. on Ways and Means*, Questions for the Record for U.S. Dep't of Health & Hum. Serv. Sec. Xavier Becerra, (Mar. 20, 2024), <https://steube.house.gov/wp-content/uploads/2025/07/HHS-FY25-WM-QFRs-.pdf>.

⁴⁰ Medicare and Medicaid Programs; Calendar Year 2026 Home Health Prospective Payment System (HH PPS) Rate Update; Requirements for the HH Quality Reporting Program and the HH Value-Based Purchasing Expanded Model; Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program Updates; DMEPOS Accreditation Requirements; Provider Enrollment; and Other Medicare and Medicaid Policies, 90 Fed. Reg. 55342 (Dec. 2, 2025).

⁴¹ *Id.*

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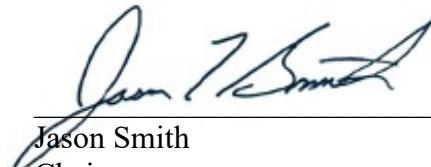
4. The role of AOs in identifying fraudulent home health and hospice activity in Los Angeles County, including the number of new HHAs and hospices accredited by each AO since 2021, the frequency of validation surveys for each AO, and the inordinate number of AO certifications of new HHAs and hospices.

We appreciate your prompt attention to this request. If you have any questions, please contact the Committee on Energy and Commerce Majority Staff at (202) 225-3641 and the Committee on Ways and Means Majority Staff at (202) 225-3625.

Sincerely,



Brett Guthrie
Chairman
Committee on Energy and Commerce



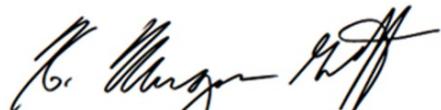
Jason Smith
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Vern Buchanan
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cc: The Honorable Frank Pallone, Jr., Ranking Member, Committee on Energy and Commerce
The Honorable Yvette D. Clarke, Ranking Member, Subcommittee on Oversight and Investigations, Committee on Energy and Commerce
The Honorable Diana DeGette, Ranking Member, Subcommittee on Health, Committee on Energy and Commerce
The Honorable Richard Neal, Ranking Member, Committee on Ways and Means
The Honorable Terri Sewell, Ranking Member, Subcommittee on Oversight, Committee on Ways and Means
The Honorable Lloyd Doggett, Ranking Member, Subcommittee on Health, Committee on Ways and Means