

Date of Hearing: May 5, 2021

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 1280 (Irwin) – As Amended April 15, 2021

Policy Committee: Health Vote: 15 - 0

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill prohibits a hospice provider, employee or an agent from paying someone to refer a patient to the hospice. It also:

- 1) Requires education and consent forms be completed by a specified medical, social work or religious employees of the hospice.
- 2) Requires a hospice provide a patient information about their rights and responsibilities, verbally and in writing, in a language and manner the patient understands.

FISCAL EFFECT:

Costs to the California Department of Public Health (CDPH) are expected to be minor and absorbable (Licensing and Certification Fund).

COMMENTS:

- 1) **Purpose.** The author states this bill will ensure patients entering hospice care are not subject to illegal recruitment schemes, they receive all required hospice election information in a language and manner that they and their caregiver understand, and an assessment accurately identifies their need for hospice care and services.
- 2) **Background.** Hospice care under the Medicare hospice benefit requires documentation from a physician indicating a patient is expected to live only an additional six months or less. Hospice care is intended to provide comfort and support to patients and their families and caregivers, for patients with a terminal diagnosis. When a patient signs up for the hospice benefit, they waive their right to coverage and payment for curative care. Hospice agencies are licensed by CDPH.

Recent investigations have raised concerns about hospice enrollment practices. A 2018 federal Office of Inspector General report found California hospices enroll patients who are not terminally ill and claim reimbursement for patients not needing hospice services. In December 2020, the Los Angeles Times published a lengthy investigative series on the hospice industry, finding competition for patients has spawned a cottage industry of illegal practices, including kickbacks to doctors and recruiters who mislead patients about the benefits they can access under hospice.

- 3) **Related Legislation.** SB 664 (Allen), pending in the Senate Health Committee, imposes a one-year moratorium on new hospice licenses.

- 4) **Prior Legislation.** SB 1228 (Lara), Chapter 792, Statutes of 2018, prohibits specified persons, programs or entities from giving or receiving remuneration or anything of value for the referral of a person who is seeking alcoholism or drug abuse recovery or treatment services.

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