



June 3, 2025

OHA, Health Care Market Oversight  
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Re: HCMO review 043: Providence-Compassus

To Whom it May Concern:

### Introduction

Oregon Nurses Association (ONA) is a professional association and labor union representing a diverse community of more than 24,000 nurses and health care professionals throughout Oregon. Together, we use our collective power to advocate for a more effective, affordable and accessible healthcare system; better working conditions for all health care professionals; and healthier communities.

ONA represents about 400 members that would be impacted by the proposed joint venture, including Speech-Language Pathologists, Physical Therapists, Physical Therapy Assistants, Occupational Therapists, Certified Occupational Therapy Assistants, Registered Nurses, Mental Health Registered Nurses, Wound Ostomy and Continence Nurses, Licensed Practical Nurses, Licensed Vocational Nurses, Certified Nursing Assistants, Licensed Massage Therapists, Masters of Social Work, Bereavement Counselors, and Licensed Clinical Social Workers. Members are presently in bargaining, as their previous contract expired on December 31, 2024. This bargaining unit includes members at Providence Home Health & Hospice and Providence Benedictine Home and Community Care providing services throughout northwest Oregon from the Gorge to the North Coast and from Portland to Corvallis.

ONA-represented nurses and clinicians urge HCMO to reject transaction 043, due to concerns about practices frequently used by for-profit home health and hospice entities, and Compassus' treatment of former and current patients and employees. If a rejection of this transaction is not feasible, our members request that the conditions outlined on pages six through eight are placed on this transaction.

### Concerns Related to For-Profit Healthcare

Compassus is a for-profit, Tennessee-based provider of hospice and home care services owned by Ascension Health, a health care system, and TowerBrook, a private equity firm. For-profit and private equity-owned healthcare entities generally prioritize income, often at the sacrifice of patient care. ONA members are concerned about this dynamic, particularly as it relates to staffing, quality of patient care, and patient access to care.

Staffing is a key concern among members, because one common strategy for maximizing profit within home health & hospice is to reduce the number of skilled staff. For-profit hospices have significantly fewer RN FTE as a proportion of nursing staff, fewer medical social workers as a proportion of psychosocial staff, and fewer clinician FTE as a proportion of total staff.<sup>1</sup> In home health, a change of ownership has also been associated with a reduction in staffing levels, including of RNs, LPNs/LVNs, and aides.<sup>2</sup> This change in staffing is not without consequence: a 20% reduction of FTE reduced the length of patient visits. Similarly, hospice patients receiving care from for-profit agencies receive, on average, 10% fewer nursing visits, 35% fewer social work visits, and 33% fewer therapy visits than their counterparts served by non-profit hospice agencies.<sup>3</sup>

It is intuitive that worse staffing, shorter visits, and fewer visits result in worse patient care. For-profit hospice agencies are 1.33 times more likely than non-profit hospice agencies to receive patient complaints, and 1.52 times more likely to have a compliant deficiency.<sup>4</sup> Caregivers of patients receiving hospice care reported substantially worse care experiences in for-profit than not-for-profit hospices.<sup>5</sup> Similarly, for-profit home health agencies scored worse on overall quality indicators, including patients avoiding hospitalization, than their non-profit counterparts.<sup>6</sup> When making a profit becomes the goal of a home health or hospice agency, patient care takes a backseat.

Workers also suffer when agencies are understaffed. Generally, for-profit management requires nurses and clinicians to see increasingly large patient caseloads. Unfortunately, requiring more patient visits forces workers to rush through visits, provide less thorough care, and miss their own meal or rest breaks. When these working conditions are ongoing, caregivers are more likely to experience burnout and moral injury, causing some to leave the profession entirely. Research has shown that non-profit hospices had significantly higher Glassdoor scores than for-profit hospices, with an article stating that, “the effort to squeeze more profits out of a hospice can alienate hospice staff. Hospice leaders should recognize that there are a limited number of professional hospice staff, especially those with significant end-of-life care experience.”<sup>7</sup> ONA represented workers are afraid of precisely this alienation playing out in their own workplace.

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<sup>1</sup> Cherlin, E. J., Carlson, M. D. A., Herrin, J., Schulman-Green, D., Barry, C. L., McCorkle, R., Johnson-Hurzeler, R., & Bradley, E. H. (2010). Interdisciplinary Staffing Patterns: Do For-Profit and Nonprofit Hospices Differ? *Journal of Palliative Medicine*, 13(4), 389–394. <https://doi.org/10.1089/jpm.2009.0306>

<sup>2</sup> Zhang Z, Li K, Wang S, Fashaw-Walters S, Hou Y. Change of Ownership and Quality of Home Health Agency Care. *JAMA Health Forum*. 2024 Nov 1;5(11):e243767. doi: 10.1001/jamahealthforum.2024.3767. PMID: 39485335; PMCID: PMC11530943.

<sup>3</sup> Bazell, C., Caplen, M., Coates, W., Pelizzari, P., & Pyenson, B. (2019). Hospice Medicare Margins: Analysis of Patient and Hospice Characteristics, Utilization, and Cost. Milliman Client Report; Commissioned by the National Partnership for Hospice Innovation. [https://edge.sitecorecloud.io/millimaninc5660-milliman6442-prod27d5-0001/media/Milliman/importedfiles/ektron/Hospice\\_Medicare\\_Margins\\_NPHI\\_7-2019.pdf](https://edge.sitecorecloud.io/millimaninc5660-milliman6442-prod27d5-0001/media/Milliman/importedfiles/ektron/Hospice_Medicare_Margins_NPHI_7-2019.pdf)

<sup>4</sup> Stevenson D, Sinclair N. Complaints About Hospice Care in the United States, 2005-2015. *Journal of Palliative Medicine*. 2018 Nov; 21(11):1580-1587. doi: 10.1089/jpm.2018.0125. Epub 2018 Jul 17. PMID: 30016176.

<sup>5</sup> Anhang Price R, Parast L, Elliott MN, et al. Association of Hospice Profit Status With Family Caregivers' Reported Care Experiences. *JAMA Intern Med*. 2023;183(4):311–318. doi:10.1001/jamainternmed.2022.7076

<sup>6</sup> Cabin W, Himmelstein DU, Siman ML, Woolhandler S. For-profit Medicare home health agencies' costs appear higher and quality appears lower compared to nonprofit agencies. *Health Aff (Millwood)*. 2014 Aug;33(8):1460-5. doi: 10.1377/hlthaff.2014.0307. PMID: 25092849.

<sup>7</sup> Hotchkiss J. Hospice Glassdoor and CAHPS® Scores—Glassdoor Scores and Hospice Financial Characteristics Predict Hospice Consumer Assessment of Healthcare Providers and Systems Scores. *American Journal of Hospice and Palliative Medicine®*. 2022;40(3):311-321. doi:10.1177/10499091221099475

ONA members are also concerned that certain services may no longer be offered, as for-profit hospices often provide a significantly narrower range of services than non-profit hospices.<sup>8</sup> Generally, the services not offered by for-profit agencies are not required, or not guaranteed to be covered, by Medicare/Medicaid. Examples could include massage therapy, bereavement or grief counseling, or specializations within a service. The possible loss of services is especially pressing, because Providence has already cut home health palliative nursing and remote monitoring teams in early 2024, and similarly, announced that they would close their highly successful augmentative and alternative communication speech language pathology (AAC-SLP) program in October of 2024. While Providence listened to community concerns and decided to pause the AAC-SLP program closure, ONA members fear that these service reductions are a sign of additional profit-motivated closures in the future.

It is not only the types of services that may be limited, but the patients that can receive them: one common way that home health or hospice agencies maximize profits is by enrolling lower acuity patients, who are anticipated to need longer-term care.<sup>9</sup> This is a particularly common dynamic after private equity acquires a hospice agency, with one study noting the increase of patients with dementia and others with lower Hierarchical Condition Category scores.<sup>10</sup> Providence has long taken patients that other agencies have not wanted to serve, including those with high-acuity needs, and workers feel that taking these patients is central to the system's mission. Caregivers have noted that they are specifically concerned about the future of care for patients with degenerative conditions: these patients are very unlikely to demonstrate significant gains on OASIS scores, thus, impacting the agency's overall STAR rating. Moreover, under the Prospective Payment System/Patient-Driven Groupings Model, agency reimbursement for their care decreases over time. Between the low reimbursement rate, and the effort needed to care for these patients, it is unlikely they will be accepted. It is unclear to ONA-represented caregivers where these patients will be able to receive care, if this joint venture moves forward.

## Concerns Related to Compassus

While ONA members are concerned about for-profit entities among home health & hospice providers generally, they are specifically concerned about Compassus' stated desire of changing the existing electronic medical record (EMR), its history of non-compliance with Medicare requirements, and lawsuits brought by employees relating to harassment, pregnancy discrimination, age discrimination, and racism.

While adjustments to EMR may sound minor, changes to charting and communication systems are significant for workers. Currently, Providence Home Health and Hospice uses Epic Systems software, which allows caregivers to send messages directly to other healthcare providers and receive a patient's comprehensive medical history. With this change to Compassus' EMR, nurses and clinicians will be unable to message healthcare providers outside of Compassus easily and will rely on patients to know and

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<sup>8</sup> Carlson MD, Gallo WT, Bradley EH. Ownership status and patterns of care in hospice: results from the National Home and Hospice Care Survey. *Med Care*. 2004 May;42(5):432-8. doi: 10.1097/01.mlr.0000124246.86156.54. PMID: 15083103.

<sup>9</sup> Teno JM. Hospice Acquisitions by Profit-Driven Private Equity Firms. *JAMA Health Forum*. 2021;2(9):e213745. doi:10.1001/jamahealthforum.2021.3745

<sup>10</sup> Braun RT, Unruh MA, Stevenson DG, Prigerson HG, Fernandez R, Yao LZ, Casalino LP. Changes in Diagnoses and Site of Care for Patients Receiving Hospice Care From Agencies Acquired by Private Equity Firms and Publicly Traded Companies. *JAMA Netw Open*. 2023 Sep 5;6(9):e2334582. doi: 10.1001/jamanetworkopen.2023.34582. PMID: 37747735; PMCID: PMC10520742.

communicate detailed information about their medical histories. Changing EMR will make it more difficult for providers to coordinate a patient’s care and provide necessary services.

Furthermore, Compassus has been accused of various Medicare violations. In 2014, CLP Healthcare Services, Compassus’ parent company, was fined \$9.3 million to settle allegations that they falsely billed the government for hospice patients who were ineligible to receive care.<sup>11</sup> In 2016, Compassus was sued by a former Illinois employee who was terminated after resisting instructions to “find ways around Medicare rules” to admit patients who were ineligible.<sup>12</sup> The case was later dismissed.<sup>13</sup> In 2020, the US Department of Health & Human Services, Office of Inspector General (OIG)’s Medicare Hospice Provider Compliance Audit found that Compassus of Payson, Arizona, did not comply with Medicare requirements in 39 out of 100 sampled claims. In the same year, the OIG found that Compassus of Tullahoma, Tennessee, did not comply with Medicare requirements in 35 out of 100 sampled claims. In both audits, OIG found evidence that Compassus claimed reimbursement for hospice services where the beneficiary did not meet eligibility criteria, failed to document services, and sought a reimbursement rate associated with a higher level of care than the beneficiary required. The OIG estimated that Compassus of Payson received at least \$1.8 million in reimbursement that they should not have received.<sup>14</sup> Lastly, in 2023, Centers for Medicare & Medicaid Services found that Compassus Hospice and Palliative Care-St. Louis was out of compliance with CMS recommendations, after it failed to provide core nursing services.<sup>15</sup>

Additionally, Compassus has been sued on multiple occasions regarding their treatment of employees. In 2016, Compassus was sued after an employee in Pennsylvania claimed that she was sexually harassed by a colleague. The employee stated that despite reporting harassment to multiple supervisors, nothing was done. Instead, the complainant was terminated, and the case was settled.<sup>16</sup> <sup>17</sup> In 2017, an employee sued Compassus after she was demoted while taking pregnancy-related FMLA leave. According to her complaint, the employee was asked to come to work while on leave. When she did so, she was notified

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<sup>11</sup> *Hospice Operator Agrees To Pay \$3.92 Million To Settle False Claims Lawsuit*. (2015, March 19). Justice.gov. <https://www.justice.gov/usao-ndal/pr/hospice-operator-agrees-pay-392-million-settle-false-claims-lawsuit>

<sup>12</sup> Jennifer Ramirez vs. Community Hospices of America, LLC d/b/a Hospice Compassus, (The Circuit Court of the Fourteenth Judicial Circuit Rock Island County, Illinois February 1, 2019). <https://storage.courtlistener.com/recap/gov.uscourts.ilcd.75897/gov.uscourts.ilcd.75897.1.1.pdf>

<sup>13</sup> Jennifer Ramirez vs. Community Hospices of America, LLC d/b/a Hospice Compassus, (The Circuit Court of the Fourteenth Judicial Circuit Rock Island County, Illinois. February 13, 2020). [https://www.judici.com/courts/cases/case\\_information.jsp?court=IL081025J&ocl=IL081025J,2019L20,IL081025JL2019L20D5](https://www.judici.com/courts/cases/case_information.jsp?court=IL081025J&ocl=IL081025J,2019L20,IL081025JL2019L20D5)

<sup>14</sup> Frontz, A. (2020). Medicare Hospice Provider Compliance Audit: Hospice Compassus, Inc., of Payson, Arizona [Review of *Medicare Hospice Provider Compliance Audit: Hospice Compassus, Inc., of Payson, Arizona* ]. In *OIG.HHS.gov*. US Department of Health & Human Services: Office of Inspector General . <https://oig.hhs.gov/reports/all/2020/medicare-hospice-provider-compliance-audit-hospice-compassus-inc-of-payson-arizona/>

<sup>15</sup> Board, A. (2023, February 11). *Compassus Hospice and Palliative Care – St. Louis, DAB CR6228 (2023)*. HHS.gov. <https://www.hhs.gov/about/agencies/dab/decisions/alj-decisions/2023/alj-cr6228/index.html>

<sup>16</sup> Cashae Palmer vs. Compassus d/b/a Life Choice Hospice. (United States District Court of the Eastern District of Pennsylvania. December 2, 2016). <https://storage.courtlistener.com/recap/gov.uscourts.paed.524613/gov.uscourts.paed.524613.1.0.pdf>

<sup>17</sup> Cashae Palmer vs. Compassus d/b/a Life Choice Hospice. (United States District Court of the Eastern District of Pennsylvania. May 23, 2017.) <https://storage.courtlistener.com/recap/gov.uscourts.paed.524613/gov.uscourts.paed.524613.14.0.pdf>

that she was being demoted to a PRN, where she would no longer have regular hours. When the employee returned to work, she was asked to perform menial activities.<sup>18</sup> Compassus settled this case, as well.<sup>19</sup>

In 2018, Compassus was sued for age discrimination after it took over a hospice facility in Pennsylvania. Compassus was sued by a former employee who alleges that, after Compassus took over, she was not trained on new software despite repeatedly requesting training and noting that she was older and not familiar with the computer system used.<sup>20</sup> After being referred to arbitration, the case was stipulated to dismissal.<sup>21</sup>

In 2021, Compassus was sued by a nurse for racial discrimination after a supervisor appeared in blackface at a Halloween party. The nurse also alleged that Compassus failed to provide her with PPE during the Covid-19 pandemic, despite providing PPE to her White colleagues.<sup>22</sup> The case was settled in December 2022. Additionally, in 2023, Compassus was sued by a former employee in Newtown, PA. The employee alleged that he was fired after informing his supervisors that he wished to pursue racial discrimination allegations.<sup>23</sup> The case was settled.<sup>24</sup>

In 2024, a former Compassus social worker resigned and applied for unemployment benefits. In a hearing on the request, a judge determined that the worker's managers had "told her to make certain patients a lower priority in the hopes that the patients would die before (the worker) was able to provide service to the patients." The judge granted the former Compassus employee unemployment benefits, determining that the working conditions were "intolerable and detrimental."<sup>25</sup>

These complaints, scattered throughout states in which Compassus is active, and spanning over a decade, paint a picture of an agency laser-focused on profit generation, at the cost of patient care, Medicare compliance, and the treatment of employees. ONA represented workers, like all workers, wish to feel supported and valued at work. They wish for their work to center the needs of their patients, regardless of

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<sup>18</sup> Amy Ramagos vs. Community Hospices of America, Inc. D/B/A Compassus Hospice and Palliative Care. (United States District Court Middle District of Louisiana. June 6, 2017.)

<https://storage.courtlistener.com/recap/gov.uscourts.lamd.51336.1.0.pdf>

<sup>19</sup> Amy Ramagos v. Community Hospices of America, Inc. (3:17-Cv-00356), Louisiana Middle District Court." *Pacermonitor.com*, 2017,

[www.pacermonitor.com/public/case/21627820/Amy\\_Ramagos\\_v\\_Community\\_Hospices\\_of\\_America](http://www.pacermonitor.com/public/case/21627820/Amy_Ramagos_v_Community_Hospices_of_America). Accessed 14 Mar. 2025.

<sup>20</sup> HOFFMAN v. COMPASSUS (2:18-cv-00776-JHS), ), Pennsylvania Eastern District Court. February 2, 2018.

<https://storage.courtlistener.com/recap/gov.uscourts.paed.539773/gov.uscourts.paed.539773.1.0.pdf>

<sup>21</sup> Hoffman v. Compassus, CIVIL ACTION NO. 18-0776 (E.D. Pa. Apr. 23, 2019)

<sup>22</sup> "BROWNE v. COMPASSUS, 2:21-Cv-04649 - CourtListener.com." *CourtListener*, 2024,

[www.courtlistener.com/docket/60668545/browne-v-compassus/](http://www.courtlistener.com/docket/60668545/browne-v-compassus/).

<sup>23</sup> "WILLIAMS v. FC COMPASSUS, LLC (2:23-Cv-02277), Pennsylvania Eastern District Court." *Pacermonitor.com*, 2023,

[www.pacermonitor.com/public/case/49217428/WILLIAMS\\_v\\_FC\\_COMPASSUS](http://www.pacermonitor.com/public/case/49217428/WILLIAMS_v_FC_COMPASSUS).

<sup>24</sup> WILLIAMS v. FC COMPASSUS, LLC, 2:23-Cv-02277 - CourtListener.com." *CourtListener*, 2024,

[www.courtlistener.com/docket/67500846/williams-v-fc-compassus-llc/](http://www.courtlistener.com/docket/67500846/williams-v-fc-compassus-llc/). Accessed 14 Mar. 2025.

<sup>25</sup> KAUFFMAN, CLARK. "Judge: Iowa Hospice Program Told Worker to "Let People Die."" *Ottumwa Courier*, 5 Mar. 2024, [www.ottumwacourier.com/news/judge-iowa-hospice-program-told-worker-to-let-people-die/article\\_af3a7da8-db38-11ee-92bd-a3d0216f2a68.html](http://www.ottumwacourier.com/news/judge-iowa-hospice-program-told-worker-to-let-people-die/article_af3a7da8-db38-11ee-92bd-a3d0216f2a68.html). Accessed 14 Mar. 2025.

the patients' acuity level. To protect high-quality patient care for all who need it, and to protect the workers providing this care, we urge you to reject the proposed Providence-Compassus joint venture.

### Conditions Requested by Healthcare Workers

ONA members recognize that the rejection of the Providence-Compassus joint venture may not be feasible. If the joint venture is going to occur, ONA members would like to see the following conditions. These conditions will not address all concerns related to this potential transaction, but our members believe that they will prevent worst-case scenarios.

First, ONA members would like to see conditions related to the affordability of care:

- For a period of five (5) years, the entity must continue accepting patients covered by Medicaid, including Oregon Health Plan coverage by any coordinated care organization, regardless of the patient's status as dually covered in Medicare and Medicaid.
- For a period of five (5) years, the entity must continue accepting patients covered by Medicare Advantage plans. Locations of the entity must continue to participate in all Medicare Advantage networks in the same network status or tier as prior to the transaction.
- For a period of five (5) years following the close of the transaction, the entity shall apply a financial assistance policy such that all qualified patients who receive procedures or services rendered are eligible for financial assistance.

ONA recognizes that, generally, hospice patients utilize Medicare benefits. However, patients utilizing home health services may receive insurance coverage from other sources, including OHP coverage and employer-sponsored insurance. ONA caregivers feel strongly that insurance coverage should not be a limiting factor of care.

Second, ONA members urge no changes to the type of care patients can receive, or location where they receive their care:

- For a period of five (5) years, the entity shall not deny patients, or potential patients, care due to their diagnosis of a degenerative or chronic condition.
- For a period of five (5) years, the entity shall not reduce the frequency of visits or limitations to services from any geographical service area or discipline currently provided.

As discussed previously in these comments, private equity and for-profit ownership are strongly associated with fewer visits and a narrower range of services, which greatly impacts the quality of care patients receive. By ensuring that patients are seen at appropriate intervals and receive the services they need, patient care is protected. Similarly, nurses and clinicians are worried that a for-profit home health or hospice agency would reduce the care provided to rural communities, as it is often not cost-effective to have providers drive long distances to see few patients. That said, rural communities desperately need access to care and should not lose the home health and hospice services they currently rely upon.

Thirdly, ONA members ask for the following condition to ensure that caregiver payment models are not changed:

- For a period of five (5) years, the entity shall not switch to a pay-per-visit model.

Compassus largely uses a pay-per-visit model in the states in which they operate. It is worth noting that Oregon has already made pay-per-visit in home health and hospice illegal for nurses (ORS 652.260), because it created significant pressure on nurses to maintain a quota of patient visits, limited how much time could be spent with each patient, and curtailed services. However, pay-per-visit is legal for workers of all other disciplines working in home health and hospice, meaning that this joint venture could decide to pay all other providers, who echo the same concerns nurses articulated, on a per-visit basis. Ensuring that providers are not paid per visit protects patient care.

Fourth, ONA members want to ensure that clinical decisions are made as independently:

- For a period of five (5) years, physicians and clinicians employed by the entity shall be responsible for all clinical decisions, including decisions regarding:
  - i. The treatment and services that are appropriate for patients
  - ii. the diagnostic tests that are appropriate for a particular condition
  - iii. the treatment options available to patients, and
  - iv. deciding the duration (e.g., number of minutes) of patient visits.
- For a period of five (5) years, Providence shall not sell their 50% share of ownership in the entity to any other party.

Compassus, as previously noted, is partially owned by Towerbrook, a private equity entity. Private equity companies are responsible to generate profit for their shareholders. They are staffed by research analysts and financial professionals, not healthcare providers. It is imperative that healthcare providers and clinicians, who have completed rigorous training and are able to make informed decisions for their patients, maintain all control of patient care decisions. Furthermore, Providence has made a commitment to caregivers, patients, and their families. The health system has a responsibility to ensure that care provided remains high-quality, accessible, and aligned with their promise of easing patient's ways.

Fifth, ONA members wish to be able to grow their professions:

- For a period of five (5) years following the close of the transaction, the entity shall not subject former employees to any restrictions on future employment opportunities as a condition for employment or subsequent bona fide advancement.
- For a period of five (5) years, the entity shall continue to consider staff as internal applicants for Providence jobs and continue their seniority.

With this proposed transaction, employees will cease to be employed by Providence. Providence should recognize that employees sought to work for the company, specifically, and were hired with the understanding that they would be able to seek other positions within the system without being considered

external applicants. Many employees have worked for Providence for many years, and their efforts should not be forgotten.

Sixth, and finally, ONA members believe that HCMO must continue to monitor this transaction:

- The entity shall provide an annual Compliance Report to OHA. The first such report shall be due no later than twelve (12) months following the closing date of the Transaction, and subsequent reports shall be due every twelve (12) months thereafter. Each annual submission shall include a publicly shareable version of the Compliance Report, which shall be published on the Health Care Market Oversight program website.

Having continued oversight ensures that the entity is more likely to operate in ways that align with state and federal law and are more likely to be good community partners. Furthermore, having additional information about the ongoing impacts of this transaction, if it is carried out, is valuable for patients and employees facing similar joint ventures.

Thank you for considering these comments. ONA greatly appreciates HCMO's thoughtful review of this transaction.

Sincerely,

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Labor Representative

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