Building On Success: Innovations in End-of-Life Care

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Hospice: a Medicare Success
The number of people Medicare serves will nearly double by 2030.

### Number of Medicare Beneficiaries

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Disabled &amp; ESRD</th>
<th>Medicare Enrollment (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>20.4</td>
<td>20.4</td>
</tr>
<tr>
<td>1980</td>
<td>28.4</td>
<td>28.4</td>
</tr>
<tr>
<td>1990</td>
<td>34.3</td>
<td>33</td>
</tr>
<tr>
<td>2000</td>
<td>39.6</td>
<td>34.1</td>
</tr>
<tr>
<td>2010</td>
<td>45.9</td>
<td>33</td>
</tr>
<tr>
<td>2020</td>
<td>61.0</td>
<td>62.2</td>
</tr>
<tr>
<td>2030</td>
<td>8.6</td>
<td>68.2</td>
</tr>
</tbody>
</table>

* Numbers may not sum due to rounding.

Source: CMS, Office of the Actuary.

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### 2008 Medicare Hospice Data

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Medicare Patients Served</td>
<td>1,050,705</td>
</tr>
<tr>
<td>Total Medicare Reimbursement for 2008</td>
<td>$11,197,481,617</td>
</tr>
<tr>
<td>Total Days of Care</td>
<td>74,968,108</td>
</tr>
<tr>
<td>Average Payment per Patient</td>
<td>$10,657</td>
</tr>
<tr>
<td>Average Length of Stay</td>
<td>71 days</td>
</tr>
</tbody>
</table>
Number of Hospice Deaths in US

- 2,500,000 US Deaths
- 1,051,000 Hospice Deaths

Source: National Hospice and Palliative Care Organization. October 2009


Source: National Hospice and Palliative Care Organization. October 2009
Total Hospice Providers by Year

Medicare Certified Hospices by State
Hospice Spending Tripled between 2000 and 2008

Source: CMS Office of the Actuary

Average and Median Length of Stay

Source: NHPCO National Data Set 2001 – 2008
## Patients by Payer Source

<table>
<thead>
<tr>
<th>Payer</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare</td>
<td>84.3%</td>
<td>83.6%</td>
</tr>
<tr>
<td>Managed Care or Private Insurance</td>
<td>7.8%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Medicaid</td>
<td>5.1%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Uncompensated or Charity Care</td>
<td>1.3%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Self Pay</td>
<td>0.7%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Other Payment Sources</td>
<td>2.9%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

Source: NHPCO Facts and Figures 2009

## Location of Death

<table>
<thead>
<tr>
<th>Location of Death</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient’s Place of Residence</td>
<td>68.8%</td>
<td>70.3%</td>
</tr>
<tr>
<td>Private Residence</td>
<td>40.7%</td>
<td>42.0%</td>
</tr>
<tr>
<td>Nursing Facility</td>
<td>22.0%</td>
<td>22.8%</td>
</tr>
<tr>
<td>Residential Facility</td>
<td>6.1%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Hospice Inpatient Facility</td>
<td>21.0%</td>
<td>19.2%</td>
</tr>
<tr>
<td>Acute Care Hospital</td>
<td>10.1%</td>
<td>10.5%</td>
</tr>
</tbody>
</table>

Source: NHPCO Facts and Figures 2009
Policy Goals

“Bending the cost curve”

- Dartmouth Atlas
  - Almost 55 percent of total spent in last two years of life was in an acute care setting
  - 27 percent of Medicare costs are in last year of life

- Duke Study
  - Hospice saves, on average, $2,300 per patient
    - Cost effective for 233 days (cancer)
    - Cost effective for 154 days (non-cancer)
  - Costs would be reduced for 7 out of 10 patients if hospice was used longer
New Models of Care

NHPCO Innovations

- Concurrent Care
  - 6 months (hospice eligible)
  - Hospice provides normal range of services
  - Concurrent “conventional therapies” allowed
  - Hospice paid “normal” rates

- Transition Care Management
  - 18 months
  - Consultative services
    - Provided by team or individual members of IDT
  - Hospice paid according to physician rates, or by services
Concurrent Care Model

- Patients must be terminally ill
- Six month prognosis required (mirrors hospice)
- Hospice provides full range of services
  - Palliation and management of terminal illness
- Patient receives full range of “conventional” services
  - Billed to Medicare, based on service provider

Transitional Care Management Model

- Patients must be terminally ill (advanced illnesses)
- Life expectancy of 18 months or less
- Patients and families would have access to full range of conventional therapies
- Reimbursement based on consultative model
  - Based on physician fee schedule, varies based upon professional delivering services
TCM, continued

- Hospice would provide, as needed:
  - Palliative care services
  - End-of-life care planning
  - Counseling
    - Advance care planning
    - Informed decision making
    - Discussions of supportive services

Expected Results

- Lowered costs
  - Fewer emergency room visits
  - Fewer ambulance charges
  - Fewer acute care hospital stays
  - Less futile care
- Higher patient satisfaction
  - Meeting patient (and family) needs
  - Better understanding of care goals
  - Better coordination of care
Assessment

- Comparison of costs from date of admission until death to matched cohort group
- Location of death and number of health locale transitions
  - including amount of time spent in each
- Quality of life measures
  - Family Evaluation of Hospice Care (FEHC)
  - Patient Evaluation of Hospice Care (PEHC)

Evaluation

**Academic institution**

- Experienced in studying cost effectiveness in end of life care
- Interim report at end of 18 months
- Final report due not later than one year after completion of project
Next Steps

- Concurrent care model is in HCR bill
- Transitional Care management model included in NHPCO legislative agenda
  - Included in S. 1263.
  - Drafting by task force of Public Policy Committee
    - Inclusion in improvement and accountability package
    - Congressional sponsors
    - Introduction, hearings and passage

Questions & Discussion?