



Hospice Enrollment Saves Money for Medicare and Improves Care Quality Across A Number of Different Lengths-Of-Stay

New research out of Mount Sinai's Icahn School of Medicine, published in the March 2013 issue of *Health Affairs*, found that hospice enrollment saves money for Medicare and improves care quality for Medicare beneficiaries with a number of different lengths of services. The National Hospice and Palliative Care Organization and the Hospice Action Network applaud this study that adds to a growing body of researching demonstrating the value of hospice care both in terms of high quality and cost savings.

Context

"Health care reform in the past decade has sharpened the focus on increasing the value of health care and on forging effective policy to guide that process. A clearer understanding of the value of existing Medicare programs thus is required. In this study we aimed to better understand the value of Medicare hospice by examining the relationship between length of hospice enrollment and overall Medicare costs."

Key Points

"Our results, when taken together with those of prior studies, suggest that hospice increases value by improving quality and reducing costs for Medicare beneficiaries at the end of life."

- Savings found in every enrollment period tested; 1-7, 8-14, 15-30, and 53-105 days of care.

"These findings, albeit limited to enrollment up to 105 days, are of particular importance because they suggest that investment in the Medicare hospice benefit translates into savings overall for the Medicare system."

- Reduction in hospital admissions and days, ICU admissions and days, 30 day hospital re-admissions and in-hospital deaths seen in every enrollment period tested.

"Indeed, our findings suggest that substantial reduction in hospital days—a primary goal of health care reform—is achieved regardless of the length of hospice enrollment."

- Efforts by government regulators to curtail Medicare hospice spending could be misguided.

“Yet aggressive efforts to curtail Medicare hospice spending, including the Office of Inspector General’s investigation of hospices that enroll patients with late-stage diseases but unpredictable prognoses, are ongoing. “Our findings suggest that these efforts may be misguided. Indeed, this study reveals that savings are present for both cancer patients and noncancer patients and that reductions in the use of hospital services and numbers of hospital days, hospital admissions, and hospital deaths appear to grow as the period of hospice enrollment lengthens within the observed study period (up to 105 days). These outcomes not only are less costly but also have all been associated with higher quality of care and increased concordance with patients’ preferences.”

- Authors point to the 2007 Duke University Study, lead by Donald H. Taylor and colleagues, for additional support.

“Although sample-size limitations prevented us from examining enrollment beyond 105 days, the trend in our data and the projections by Taylor* and colleagues support the idea that efforts to curtail hospice enrollment may actually increase use and spending overall. Instead of working to reduce Medicare hospice spending and creating a regulatory environment that discourages continued growth in hospice enrollment, the Centers for Medicare and Medicaid Services should focus on ensuring that patients’ preferences are elicited earlier in the course of their diseases and that those who want hospice care receive timely referral.”

***Relevant Points from the 2007 Duke University Study**

- The research by Taylor and colleagues also quantified that hospice saves Medicare money.

The Duke study found “...that hospice reduced Medicare program expenditures by an average of \$2,309 per hospice user.”

- Taylor found that while hospices began by primarily serving cancer patients, the Hospice Medicare Benefit saves money for cancer and non-cancer patients.

“The use of hospice decreased Medicare expenditures for cancer patients until the 233rd day of care and until the 153rd day of care for non-cancer patients.”

- Taylor and colleagues also suggested that there should be a focus on lengthening the time patients received hospice care services.

“Increasing length of hospice use by just three days would increase savings due to hospice by nearly 10 percent, from around \$2,300 to \$2,500 per hospice user.”