

# The Hospice Benefit

## Who We Are

The National Hospice and Palliative Care Organization (NHPCO) is the nation's largest and oldest membership association for providers who care for people affected by serious and life-limiting illness. NHPCO members provide care in more than 4,000 hospice and palliative care locations and support over 60% of the Medicare beneficiaries served by hospice. NHPCO represents hundreds of thousands of professionals and hospice volunteers. NHPCO is committed to improving end-of-life care and expanding access to hospice care with the goal of profoundly enhancing quality of life for people dying in America and their loved ones.

The Hospice Action Network (HAN), NHPCO's advocacy affiliate organization, is dedicated to preserving and expanding access to hospice care in America. HAN's mission is to advocate with one voice for policies that ensure the best care for hospice and palliative care patients and their families.

HAN advocates fight to ensure compassionate, high-quality care for all Americans facing serious and life-limiting illnesses by:

- Expanding an ongoing and influential presence on Capitol Hill
- Mobilizing a growing, national network of Hospice Advocates
- Connecting and educating the public with Hospice Advocacy through new and innovative techniques

## The Medicare Hospice Benefit

The Medicare Hospice Benefit was established in 1983 to provide Medicare beneficiaries and their families palliative and supportive services through high-quality, end-of-life care when faced with a terminal prognosis. The core belief of hospice care is that we, as providers and advocates, value the comfort, dignity, and safety of our patients, their families, and their caregivers.

An interdisciplinary team (IDT) collaborates with the patient and their family to understand their unique needs and

preferences to create a plan of care that respects the individual's wishes. Patients may receive hospice care at any location, including their private residence, assisted living facility, homeless shelter, nursing home, or other residential facility. The care plan changes depending on the nature of a patient's disease progression and medical needs, in consultation between the patient and the hospice team.

An increase in the number of Medicare beneficiaries coupled with improved awareness and access to care has led to growth in the number of hospices and hospice spending. In FY 2022, Medicare spent \$23.7 billion to provide hospice care to 1.72 million Medicare beneficiaries. In a recent study by NORC at the University of Chicago assessed the value of hospice to the Medicare program and to beneficiaries, their families, and caregivers. The data revealed that in 2019 (the last year pre-COVID-19 data was available), **hospice care resulted in \$3.5 billion in savings to Medicare; a reduction in spending of roughly 3.1%.** The study also found that stays of 11 days or more resulted in lower Medicare costs and Medicare spending was 11% lower for hospice stays of six months or more.

In CY 2022, 1.30 million Medicare decedent used hospice with the hospice average lifetime length of stay of 95.3 days. Unfortunately, half of all Medicare decedents who used hospice received care for less than 18 days.

## Who Is Eligible?

- A Medicare beneficiary with a life expectancy of six months or less, if the illness runs its expected course.
- The beneficiary must agree to waive all rights to Medicare payment for services for prolonging life through treatment for terminal illness and related conditions.
- Physician(s) must certify prognosis at the onset of each hospice benefit period, which includes two periods of 90 days each, followed by an unlimited number of 60-day periods.

### Who Receives Hospice Care

When a patient is referred to hospice, Medicare regulations require that two physicians, the hospice medical director and the patient's attending physician or the hospice physician, determine that the patient has a prognosis of six months or less if the illness runs its expected course. Patients must be reassessed for eligibility at regular intervals, but there is no limit on the amount of time a patient can spend under hospice care.

When the hospice benefit was first established, most beneficiaries had cancer, and the expected course of disease was easier to predict. In recent years however, patients with more complex diagnoses, like Alzheimer's disease, are increasingly utilizing the benefit. Complex patient diagnoses are more difficult to accurately predict in terms of progress and prognosis. In FY 2022, the top three primary diagnoses for hospice patients were Alzheimer's and other dementias, chronic obstructive pulmonary disease, and heart disease.

### Hospice Levels of Care

All Medicare-certified hospices are required to offer four levels of hospice care depending on patient and caregiver needs:

- **Routine Home Care:** The most common level of hospice care. A patient who is generally stable receives care in the place that they call home (e.g. private residence, assisted living facility, nursing facility, etc.)
- **Continuous Home Care:** Crisis-like level of care for short-term management of acute symptoms, usually managed in the home through nursing care
- **Inpatient Respite Care:** A temporary level of care available to provide relief to the patient's caregiver. Usually provided in a nursing home, hospice inpatient facility, or hospital to ensure sufficient nursing care if needed
- **General Inpatient Care:** Crisis-like level of care for management of acute symptoms that usually must be provided in an inpatient setting

### Are Hospices Required to Report Quality Measures?

Yes. Hospice quality reporting is a multi-pronged data collection approach wherein hospices submit data through the Hospice Item Set (HIS) and the Hospice Consumer Assessment of Healthcare Providers and Systems (CAHPS). Most hospices are required to participate in the Hospice Quality Reporting Program (HQRP). The HQRP is a pay-for-reporting program that applies a four percentage-point reduction to the market basket for failing to submit timely and complete data for both HIS and Hospice CAHPS. Consumers can learn helpful information about hospice quality using Hospice Compare, which provides helpful CAHPS and HIS measures for each provider.

For further information on these issues, please contact Logan Hoover, VP of Public Policy and Government Relations of NHPCO, at [lhoover@nhpco.org](mailto:lhoover@nhpco.org).