

## Eli's Hospice Insider

### Finance: Fewer And Later Referrals Lowered ADC In 2021

#### Execs predict a return to 'normal' as COVID lets up.

If you saw a lower hospice patient census last year, you weren't alone. So revealed multiple publicly traded companies in their recent earnings calls for 2021.

Baton Rouge, Louisiana-based Amedisys Inc. saw hospice average daily census drop 4 percent for 2021, noted COO **Christopher Gerard** in its call. "Hospice ADC remained pressured in Q4 as we continue to see a trend of patients coming on to service much later in the dying process and not realizing the full value of the benefit," Gerard explained. Further, "as we look back at 2021 as a whole, our deaths as a percent of current month ADC are averaging approximately 4 percentage points higher than pre-COVID time frames," he said.

**Prediction:** "We do think that the increased death rate is a short-term issue, and over time, will return to normal," Gerard said. "Whenever behavior returns to pre-COVID normal and patients access health care like they did pre-pandemic, we will see an ADC increase."



The Pennant Group Inc. hospices have "weathered a fairly challenging hospice ADC environment where we've seen a shift in acuity of the patients coming on service, coming on later in their disease process, more referrals from acute care settings," observed CEO **Danny Walker** in the Eagle, Idaho-based company's March 1 earnings call.

"The decline in hospice ADC is largely the result of a modest decline in admissions, as well as a higher mix of referrals for more acute settings that tend to have a lower average length of stay," added Pennant Group President **Brent Guerisoli** in the call.

Nursing home admissions affected ADC significantly at VITAS Healthcare Corp. "Pre-pandemic, nursing home-based patients represented 18 percent of our total average daily census," noted Chemed Corp. CEO **Kevin McNamara** in its call. "The nursing home ADC ratio hit a low of 14.3 percent in the first quarter of 2021," then increased slightly to 14.9 percent in the second quarter and 15.6 percent in the third and fourth quarters, he reported. Chemed is VITAS' parent.

**Prediction:** VITAS also expects the situation to get better in 2022. The company "anticipate[s] slow improvement in the first half of 2022 with an acceleration in senior housing admissions anticipated in the second half of 2022," McNamara predicted.