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Eli's Hospice Insider

Know Your Facts: Key Hospice Indicators Fall, But CMS Still Plans To Ramp Up Scrutiny

Feds dispute hospice benefit's cost-saving ability.

If you want to know where you're likely to get scrutinized, take a look at the facts the **Centers for Medicare & Medicaid Services** cites in its 2017 proposed payment rule for hospice:

- The number of Medicare beneficiaries receiving hospice has grown from 513,000 in Fiscal Year 2000 to nearly 1.4 million in FY 2015, while Medicare hospice spending rose from $2.8 billion to an estimated $15.5 billion in the same time period.
- Since 2002, hospices have increased the use of neurological diagnoses (Alzheimer's, dementia) and general diagnoses (debility, failure to thrive). For example, Alzheimer's went from the number-six diagnosis, equivalent to 4 percent of hospice claims, in FY 2002 to the number-one diagnosis with 13 percent of claims in FY 2015. (See Table 2 in the proposed rule for a list of the top 20 diagnosis codes from 2002, 2007, 2013, and 2015.)
- Debility and Adult Failure to Thrive ranked high in the diagnosis list for 2013, numbers one and five at 9 percent and 6 percent respectively, before CMS banned them as primary diagnoses in 2014.
- In 2014, 49 percent of hospice claims contained only one diagnosis. In 2015, 37 percent of hospice claims included a single principal diagnosis, with 63 percent submitting at least two diagnoses and 46 percent including at least three.
- Hospice use only saves money for shorter stay patients, CMS contends. "Recent analysis conducted by [the **Medicare Payment Advisory Commission**] showed that hospice appears to modestly raise end-of-life costs," according to the rule. "While hospice reduces costs for cancer decedents on average, hospice does not reduce costs for individuals with long hospice stays."
- Median Medicare spending for a beneficiary with a diagnosis of Alzheimer's disease, non-Alzheimer's dementia, or Parkinson's in the 180 days prior to hospice admission (about 20 percent of patients) was $64.87 per day compared to the daily Routine Home Care rate of $156.06 in FY 2014. In the 30 days prior to hospice election, spending was $96.99. In contrast, for patients with a principal hospice diagnosis of cancer, spending was $143.48 in the 180 days prior to hospice admission and $293.64 in the 30 days prior to hospice admission.
- The average lifetime length of stay for an Alzheimer's, non-Alzheimer's dementia, or Parkinson's patient in FY 2014 was 119 days, compared to 47 days for patients with a principal diagnosis of cancer (150 percent longer).
- Medicare payments for non-hospice Part A and Part B services received by hospice beneficiaries during hospice election were $710.1 million in Calendar Year 2012, $694.1 million in FY 2013, and $600.8 million in FY 2014. Non-hospice spending decreased 15.4 percent from CY 2012 to FY 2014 – 2.2 percent from CY 2012 to FY 2013 and 13.4 percent from FY 2013 to FY 2014.
- Medicare payments for non-hospice Part D drugs received by hospice beneficiaries during a hospice election were $334.9 million in CY 2012, $347.1 million in FY 2013, and $291.6 million in FY 2014.
- The rate of live discharges has incrementally decreased from 2006 to 2014 – peaking in 2007 (21.8 percent) and leveling off at around 18 percent over the past several years. Hospices at the 95th percentile discharged 50 percent or more of their patients alive in FY 2014.
- Hospices with live discharge rates in the 90th percentile or higher provided 4.05 visits per week in FY 2014. Those with live discharge rates below the 90th percentile furnished 4.73 visits per week.
- Hospices with live discharge rates at or above the 90th percentile provided 1.88 skilled nursing or MSW visits per week in FY 2014, versus hospices with live discharge rates below the 90th percentile that provided 2.34 visits per week.
- Hospices with patients that accounted for $27 per day in non-hospice spending while in hospice had live discharge rates that were about 34.7 percent and had an average lifetime length of stay of 158 days. In contrast,

hospices with patients that accounted for only $3.66 per day in non-hospice spending while in a hospice election had live discharge rates that were about 18.2 percent and had an average lifetime LOS of 99.8 days.
- In 2014, during the last seven days of a hospice election, nearly 47 percent of the time the patient did not receive a skilled (skilled nursing or social worker) visit. On the day of death nearly 26 percent of benes did not receive a skilled visit.

Source: FY 2017 Hospice Wage Index and Payment Rate Update and Hospice Quality Reporting Requirements proposed rule at www.gpo.gov/fdsys/pkg/FR-2016-04-28/pdf/2016-09631.pdf.