

Eli's Hospice Insider

Know Your Facts: Spending, Utilization, Profit Margin, And More Are Up For Hospice Industry

Medicare's total outlay for 2017 spiked 6 percent.

If you're wondering why the hospice industry has been subject to heavier scrutiny, harsher regulation, stricter enforcement, and more burdens, a look at the industry's key statistics may be the answer.

The **Medicare Payment Advisory Commission** annual report to Congress highlights these facts and figures:

- Hospice spending increased 6.4 percent from 2016 to 2017, rising to \$17.9 billion - more than home health spending.
- The number of hospice users increased 4.6 percent in that timeframe, to 1.49 million.
- Routine Home Care days accounted for 98 percent of all hospice days in 2017. Nearly 32 percent of hospice days were "high" RHC (days 1-60) and 66 percent were "low" (days 61+).
- General Inpatient (GIP) days accounted for 1.4 percent of all hospices days, inpatient respite care 0.3 percent, and continuous home care (CHC) 0.2 percent.
- In 2016, 12.7 percent of hospices exceeded their per beneficiary cap.
- In 2017, 50.4 percent of Medicare decedents used hospice, up from 49.7 percent in 2016. That's the highest percentage in the program's history.
- In 2017, 4,488 hospice providers participated in Medicare, up from 4,382 in 2016. About 78 percent were freestanding, 10 percent hospital-based, 11 percent home health-based, and less than 1 percent skilled nursing facility-based.
- Between 2016 and 2017, two states account for most of the growth in hospices - California gained 114 hospices and Texas 30.
- The number of rural hospices has decreased since its peak in 2007, with a decline of about 3 percent in 2017. As of 2017, 80 percent of hospices were in urban areas and 20 percent were in rural areas.
- The average length of stay among decedents increased nearly 1 percent to 88.6 days in 2017. But the median length of stay stayed the same at 18 days. "Growth in average length of stay was driven by an increase in length of stay for patients with the longest stays," MedPAC notes.
- In 2017, average LOS was substantially longer among for-profit hospices than nonprofits (109 days compared with 67 days). The reasons: For-profit hospices have more patients with diagnoses that tend to have longer stays and have longer stays for all diagnoses compared to nonprofits. For example, decedents with a neurological diagnosis had an average LOS of 177 days in for-profits and 118 days in nonprofits.