

Eli's Hospice Insider

Research: New Study Puts Bull's Eye On For-Profit Hospices' Backs

Findings draw firm line through the hospice industry.

A new article in the Journal of the American Medical Association may give policy- and lawmakers more ammunition to tinker with hospice payment rates.

For-profit hospices, compared with nonprofit hospices, had a lower proportion of patients with cancer and a higher proportion of patients with dementia and other noncancer diagnoses, based on 2007 data, according to the article in the Feb. 2 issue of JAMA.

For-profit hospices' patients had a significantly longer length of stay and received less visits from nurses and social workers, found the study authored by physicians at **Beth Israel Deaconess Medical Center** and **Harvard Medical School**.

"Compared with nonprofit hospice agencies, for-profit hospice agencies had a higher percentage of patients with diagnoses associated with lower-skilled needs and longer lengths of stay," the study concludes.

High Margins Indicate More Profitable Patients

The study is making cracks within the hospice industry visible. "The study confirms reports from our members that for-profit hospices have a tendency, on average, to selectively market to physicians and nursing homes in search of patients that will prove profitable for them," says the **Visiting Nurse Associations of America** in a release. "As a result, patients needing more complex and expensive care tend to be shunned by the for-profits, reducing access to this critically important service," says VNAA's **Andy Carter** in the release.

"The JAMA study provides the best evidence to date that many for-profit hospice agencies (which have grown in numbers exponentially in recent years) have adopted practices that advantage them financially at the expense of patients' access to care," VNAA continues. "Moreover, as the study states the proliferation of the for-profit agencies and their selective marketing practices are undermining the financial viability of the safety-net hospices that exist to serve all patients in need."

The **Medicare Payment Advisory Commission** recently noted that for-profit hospices have profit margins that are, on average, three times higher than non-profits' margins, Carter notes. "The study in JAMA ... helps explain the reason for the gap in financial performance between forprofits and nonprofits -- in part, it's due to cherry-picking."

Quality of Care Hasn't Suffered, Proponents Note

But the **National Hospice and Palliative Care Organization** defends for-profits. "This JAMA article doesn't provide any correlation between the profit status of a hospice program and the quality of care provided," NHPCO says in a statement.

"The most important measure or consideration is the quality of care provided to patients at the bedside," NHPCO CEO **J. Donald Schumacher** says in the release. **Family Evaluation of Hospice Care** survey data analysis "shows no difference in family caregivers' evaluation of the quality of care based on a hospice program's profit status."

Palliative Care Crosses All Skill Levels

NHPCO has long encouraged hospices to address end-of-life needs for a full range of patients, including noncancer ones, the trade group says. "Hospice organizations providing care to dementia patients and those living in nursing homes are

meeting a very important need in this country and to infer that the primary motivation is financial does a disservice to the dedicated hospice staff caring for these people," Schumacher remarks.

"The study authors seem to conclude that such patients are 'lower skill' -- the implication being that their care needs are minimal," says physician and researcher **Joan Teno** of **Brown University**. "This reflects a fundamental misunderstanding of the important unmet needs for persons dying from dementia. A person dying from dementia may still experience pain," says Teno, who is a member of the NHPCO board. "Pain is a huge public health problem in nursing homes where one in four Americans will die," Teno adds.

Resource: Read the entire JAMA article at <http://jama.ama-assn.org/content/305/5/472.full>.