# Profiteering: Patient-Centered vs. Profit-Driven Hospice Care: Part Two of Two

AN EDUCATIONAL INITIATIVE OF

NATIONAL HOSPICE Cooperative

## Time to Educate, Advocate and Act to Protect the Legacy of Hospice

**Hospice patients are among the most vulnerable in healthcare today. As they face the end of life, their highest priority is to live their final days as comfortably as possible in familiar surroundings. Yet considerable research indicates that the for-profit hospice movement, which today has grown to represent two-thirds of the nation's hospices, has a significantly different priority: their bottom line.**

This profit motive is having a negative effect on the quality of care that patients using for-profit hospices receive, and it is also adversely affecting the hospice movement's ability to prepare for the future. According to a study published in the Journal of the American Medical Association (JAMA), for-profit hospices are less likely to provide staff or physician education or to conduct research.[1]

The National Hospice Cooperative has compiled the most salient data points from the in-depth research of several major organizations, including The Washington Post, The New York Times, The New England Journal of Medicine, JAMA, and the U.S. Department of Health and Human Services Office of Inspector General. All research points to significant differences between not-for-profit and for-profit hospices in the areas of patient care, breadth of services, staff training, physician education, and clinical research.

While not-for-profits follow the "compassionate care" tenet of Dame Cicely Saunders, founder of the hospice movement, for-profit hospices are beholden to shareholders who expect financial remuneration.

The research indicates that compassionate, quality care is getting lost in this profit-driven atmosphere, particularly evident when reviewing these major findings at the for-profit hospices:

- A higher live-discharge rate – the number of patients leaving hospice before dying.[2]
- Reduced access to nurses.[3]
- A narrower range of services in such areas as pain management and bereavement support.[4 5]
- Less training for hospice care providers.[6]
- Less support for research to improve quality.[7]
- Larger numbers of patients in nursing homes and assisted living facilities rather than at home, indicating a reliance on these facilities to provide daily support, which saves the for-profit hospice money.[8]

The negative news coverage generated by the studies that have identified these discrepancies affects all hospices, eroding the trust patients and families have in the overall hospice model of care. It is time for the not-for-profit hospice community to lead the way in educating providers, patients and families about the value of hospice care for both individuals and communities, to advocate for greater transparency and accountability, and to take action to ensure the best possible experience for all patients at the end of life.

*This paper is the second in a two-part series focused on the effects of the profit motive in hospice care. Part 1 discussed the negative consequences of the Medicare Hospice Benefit structure, and whether it is a viable method of funding hospice care. Part 2 explores the impact of the for-profit motive on quality care, staff and physician education, and research.*

## Research Findings on Patient Care Quality

### The Live-Discharge Rate

According to The Washington Post, which has published an extensive series of investigative reports under the title, "The Business of Dying," more than one in three patients are being discharged from hospices before death. This live-discharge rate is a "sign of trouble," according to The Washington Post.[9]

While it is normal for about 15 percent of hospice patients to be discharged before dying, often because their health improves, researchers with The Washington Post found that at some hospices, particularly those managed by newer, for-profit companies, the rate is double that or even higher. Mississippi and Alabama, for example, had rates of 41 and 35 percent respectively.[10]

Based on its analysis of more than 1 million U.S. hospice records from 2002 to 2012 and more recent supportive information from the federal government, The Washington Post attributes this discrepancy to two key factors:

- For-profits seek to avoid paying for the more expensive care that patients often need as they approach death, and
- For-profits actively recruit patients who aren't actually terminally ill.[11]

## Avoiding costly care

As patients' health deteriorates, their care needs can increase, both in quantity and cost. Researchers found that one in four patients discharged from hospice before death are subsequently admitted to a hospital within 30 days.[12] Through early discharge, the for-profit hospice avoids providing costly CT-scans, MRIs, and palliative radiation treatments. However, patients often then end up in emergency rooms and hospitals – the polar opposite of their originally expressed desire for comfort and familiarity at the end of life.[13]

## Recruiting healthier patients

Research studies by The Washington Post, the federal government and other organizations indicate that some for-profit hospices are enrolling patients who are not terminal.[14] This allows these hospices to collect the per-diem rate established by the Medicare Hospice Benefit, while not providing the more expensive care that critically ill and/or dying patients often require.[15]

Additional research by MedPAC – the Medicare watchdog group established by Congress – supports this healthy-patient recruitment concern. According to MedPAC, the average number of days patients are staying in hospice is increasing, particularly at the for-profits. The average length of stay in a for-profit hospice is 102 days compared with just 69 days in not-for-profit care.[16] Longer lengths of stay for less sick patients yield more revenue, but this puts non-terminally ill patients in the wrong healthcare setting.

In combination, these two documented practices in for-profit hospices – discharging patients before death and enrolling patients who are not actually dying – serve to increase profitability while decreasing the overall quality of hospice patient care.

## Reduced Access to Nursing Care and a Narrower Range of Care Services

In research conducted by The Washington Post, Yale University School of Medicine, and the Icahn School of Medicine at Mt. Sinai in New York, discrepancies were found between for-profit and not-for-profit hospices tied to nursing care, pain management, bereavement support, and the array of treatment options offered. Key points from this research:

- **Final days of life:** While both not-for-profit and for-profit hospices sent nurses to see patients at some point during the last two days of life, a patient at a for-profit hospice was 22 percent less likely to see a nurse in that critical time period, indicating a lower level of responsiveness.[17]
- **Per-day spend:** For-profit hospices spent 17 percent less per patient per day on nursing visits; not-for-profit hospices spent about $36 per day per patient, while for-profit hospices spent just $30 per day.[18]
- **Range of patient and family services:** Patients at for-profits hospices were also less likely to receive the full array of treatment options for pain and symptom management that were offered in not-for-profit settings.[19] Not-for-profit hospices also provided more intense services, such as continuous nursing and inpatient care, for those patients with difficult-to-control symptoms.[20] Specifically, not-for-profits offered about 10 times as much of this type of care per patient-day as the for-profits.[21] Finally, for-profit hospices were less likely to offer comprehensive bereavement services to families.[22]

## Less Training for Hospice Care Providers

Other tactics for reducing expenditures at the for-profit hospices, according to the research, included hiring fewer professionally trained staff members, recruiting new graduates who would work for lower pay, and not offering on-site clinical training for hospice and palliative medicine physicians.[23] [24] Not-for-profit hospices were more likely to serve as training sites for hospice care providers than for-profit hospices, which has long-term implications for patient care.[25]

The nation is currently facing a shortage of approximately 12,000 hospice and palliative medicine physicians, and just 180 fellows are graduating in this field annually – not enough to replace the number of retirees.[26] At just 31 percent of the total number of U.S. hospices, not-for-profit hospices cannot shoulder the burden of on-site clinical training alone, given the need for an even larger hospice workforce in coming years.[27]

## Less Support of Research to Improve Quality

As the hospice field grows, the need for research also expands – specifically to ensure ongoing quality improvement. Studies indicate that for-profits are less likely to conduct research for publication than not-for-profits,[28] and as with clinical training, this places a significant financial and coordination burden on the not-for-profits hospices to continually seek the best ways to provide end-of-life care.

## Larger Numbers of Patient in Nursing Homes, Assisted Living Facilities

Home-based hospice care is typically more expensive to provide than care given in a nursing home or assisted living facility.[29] First, home-based care requires more travel time on the part of the hospice staff.[30] Second, the staff of the nursing home or assisted living facility often provide some of the primary support for a patient's personal care needs, relieving the hospice provider of that kind of work.[31] Research shows that, to maximize revenue, for-profit hospices tend to recruit patients in nursing homes and assisted living facilities and to provide less home-based care than the not-for-profit hospices.[32] Once again, this puts the burden on the not-for-profits in the field to provide the more complex, expensive care, while also shouldering greater responsibility for staff and physician training and clinical research.

# Advocating for Change, Transparency to Ensure Quality Hospice Care for All

Providing all terminally ill patients with compassionate, quality care at the end of life was the vision of Dame Saunders and is the commitment not-for-profit hospices have made to patients and families for years. Still, hospice and palliative care continue to suffer from a lack of full understanding and from a range of misperceptions – all of which lead to fewer than half of terminally ill hospitalized patients receiving a referral to hospice.[33]

News coverage about hospice deficiencies, while vital to advancing information, adds to the confusion and erodes the trust that is so important between patients, families and hospice care providers. Unless we in the hospice field recognize the urgency of addressing these problems and take effective action, the original patient-centered hospice movement could be permanently damaged by profit-driven motives of a growing segment of the industry.

Ultimately this question cannot be ignored: Does it exceed the ethical boundaries of the hospice movement, whose legacy lies in putting the patient first, to allow market-driven companies to control end-of-life care? Certainly the statistics presented here should raise concern among those who believe that the dying deserve to be treated with dignity and compassion and not as a target for potential profits.

Now is the time to stand up, together, for the rights of dying patients, support patient-centered hospice organizations who are providing quality care for those patients, and reject the profit-focused practices of the companies who are exploiting this situation of need. Policymakers, regulators, community leaders, and healthcare providers must take up the cause and protect the legacy of compassionate, high-quality care for the dying.

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# About National Hospice Cooperative

Our mission is to provide world-class, business support services, maximizing financial and process efficiencies to empower community-based, not-for-profit hospice providers to focus their resources on the delivery of quality care.

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