Prohibitive reimbursement may restrict hospice enrollment in patients requiring high-cost care

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In the first national survey of enrollment policies at hospices, researchers from Mount Sinai School of Medicine and Yale University have found that the vast majority of hospices in the United States have at least one enrollment policy that could restrict access for terminally ill Medicare patients with high-cost medical needs. The study, which is published in the December issue of *Health Affairs* (http://content.healthaffairs.org/content/31/12/2690.abstract), calls for reform of Medicare reimbursement rates and hospice eligibility requirements.

Led by Melissa Aldridge Carlson, PhD, MBA Assistant Professor of Geriatrics and Palliative Medicine at Mount Sinai School of Medicine, the research team conducted a survey of a random sample of hospice medical directors around the U.S. Of 591 hospices in the sample, 78 percent had at least one enrollment restriction for terminally ill Medicare patients receiving high-cost care such as chemotherapy, transfusions, or palliative radiation.

"Hospice care is an ideal model of health care reform in that it provides a patient-centered, multidisciplinary approach to treating patients at the end of their lives," said Dr. Aldridge Carlson. "It also reduces hospitalizations and saves health care dollars. However, Medicare hospice reimbursement is not adjusted for cost or labor intensity, which may cause hospices to be more restrictive about whom they enroll."

Medicare provides an average reimbursement rate of $140 per day per patient for hospice care. Many patients with terminal illnesses benefit from palliative chemotherapy, radiation, or blood transfusion —treatments that can cost up to $10,000 per month. Some hospices may simply be unable to afford to enroll patients wishing to receive these treatments. Also, an increasing number of treatments such as chemotherapy for cancer are considered both life-prolonging and palliative and the extent to which such treatments may be continued under the Medicare benefit once hospice is elected is unclear.

Some patients may also need labor-intensive care such as feeding tubes, intravenous nutrition, and more frequent and intensive home visits if they do not have a caregiver, all of which add to the cost of care for hospices. Because Medicare reimbursement is not adjusted for the intensity of care, hospices may be less likely to enroll patients with these needs as well.

In the survey, hospice providers reported an average of 2.3 restrictive enrollment policies. Only one-third of hospices will enroll patients who are receiving chemotherapy; one-half will enroll patients receiving total parenteral, or intravenous, nutrition; and only two-thirds will enroll patients who want to receive palliative radiation. Larger hospices had less restrictive enrollment policies, likely because higher patient volume allows them to spread financial risk of high-cost patients across a larger patient base. Small hospices have the most restrictive enrollment policies.

"Our results indicate that addressing the financial risk to hospices of caring for patients with high-cost complex palliative care needs is likely a key factor to improving access to hospice care," said Dr. Aldridge Carlson.

Dr. Aldridge Carlson and her team suggest that the Medicare per diem

rate be increased for patients with high-cost medical needs and propose relaxing eligibility criteria for the Medicare Hospice Benefit to allow for concurrent life-extending and palliative care treatments. They also suggest that physicians who refer to hospice understand that eligibility criteria may vary widely across hospices and that larger hospices may have more expanded enrollment.

In contrast to restrictive enrollment policies, Dr. Aldridge Carlson and her team found that more than a quarter of hospices had open access policies, meaning they offered palliative care services to non-hospice patients and nonprofit hospices were more than twice as likely to have such policies compared with for-profit hospices.

"This emerging trend in open access hospices may promote the use of hospice earlier in the course of a patient's disease," said Dr. Aldridge Carlson. "However, it is unclear if this innovative care model will spread given the rapid growth in the for-profit hospice sector."

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