
CASE STUDY

Study Shows Hospice Saves Money for Medicare

Average Savings of \$2,309 per Hospice Beneficiary

Study from Duke University, published in the professional journal "Social Science & Medicine"

Findings of a major new study of hospice care in America show that hospice services save money for Medicare and bring quality care to patients with life-limiting illness and their families. This provides useful evidence to support the many benefits of hospice, reports the National Hospice and Palliative Care Organization.

Researchers found that hospice reduced Medicare costs by an average of \$2,309 per hospice patient. The new study from Duke University appears in the October 2007 issue of the professional journal "Social Science & Medicine."

Additionally, Medicare costs would be reduced for seven out of 10 hospice recipients if hospice has been used for a longer period of time the study found.

"Given that hospice has been widely demonstrated to improve quality of life of patients and families...the Medicare program appears to have a rare situation whereby something that improves quality of life also appears to reduce costs," writes lead author Don H. Taylor, Jr., assistant professor of public policy at Duke's Sanford Institute of Public Policy.

Researchers suggest that there should be a focus on lengthening the time patients receive hospice services as opposed to focusing on shortening long stays. "That increasing length of hospice use by three days for hospice beneficiaries who used less than 180 days would result in cost savings to the Medicare program."

The National Hospice and Palliative Care Organization reports that 1.3 million patients received care from one of the nation's 4,500 hospice providers in 2006. This represents a steady increase of more than 100,000 patients than the previous year. Approximately 35 percent of all deaths in the US were under the care of a hospice program.

"The trends for increased usage of hospice are expected to continue as we see an aging generation of baby-boomers face end-of-life situations for themselves and their parents," remarked J. Donald Schumacher, NHPCO president and CEO. "Hospice helps people live with dignity, comfort, and compassion during life's final journey – to know definitively that it provides a cost savings to Medicare is an additional benefit."

Hospice is not a place but a philosophy of care that provides pain management, symptom control, psychosocial support,

and spiritual care to patients and their families.

This study is a landmark independent research effort, not only because it shows cost savings for hospice utilization, but because it also addresses research flaws and questionable analyses in previous hospice cost studies. The study used a methodology to match Medicare beneficiaries who used hospice and those who did not in a fashion that could be described as an "apples to apples" approach that yields sound results.

"Given that November is National Hospice Palliative Care Month, it's most fitting that this valuable study come out now," added Schumacher.

The study was funded by the Health Care Financing Organization (HCFO) of the Robert Wood Johnson Foundation.

According to the NHPCO News Release, lead author Don H. Taylor, Jr., assistant professor of public policy at Duke's Sanford Institute of Public Policy, says, **"Given that hospice has been widely demonstrated to improve quality of life of patients and families...the Medicare program appears to have a rare situation whereby something that improves quality of life also appears to reduce costs."**



HOW HOSPICE CAN HELP YOUR PRACTICE

Answers to Questions Physicians Often Ask About Hospice Care

Most Physicians know that Hospice is designed to help terminally ill patients and their families with relief from pain and other symptoms. But here are answers to questions physicians often ask about Hospice care and how it can help busy physicians and their office staff cope with the demanding problems seriously ill patients can present.

How do we know if a patient is Hospice appropriate?

The National Hospice & Palliative Care Organization has published Guidelines for Prognosis in Non-Cancer Diseases. We use these to help primary care physicians and specialists manage patients with end-stage heart, lung, Alzheimer's, and other non-malignant conditions. For a copy, please call (716) 989-2009.

Can I bill Medicare or commercial insurance for services once my patients are referred to Hospice?

Yes, you can. Primary attending physicians continue to bill Medicare Part B and other carriers for the patient's regular office visits or for all covered services. New billing codes are also available for care plan oversight, so reimbursement can be obtained for telephone calls to nurses, as well as patients.

Do commercial insurance plans have Hospice benefits?

Most third-party payers now have a Hospice benefit, similar to the Hospice Medicare Benefit.

Do you offer a Hospice evaluation service?

Yes. Hospice Buffalo staff are available to meet with you, evaluate, and educate patients and families who you believe are appropriate for Hospice services. *There is no fee for this service.* If, during the evaluation, your patient chooses Hospice care and you approve this decision, admission to the program can start right away. Contact Hospice Buffalo Admissions Department at (716) 686-8000.

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