

Choosing a Hospice Provider: What Families Need to Know

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***Caring for a family member during the last months of life is a loving and formidable task. Families need reliable, knowledgeable caregivers to ensure their loved one's comfort and dignity are maintained. Forming a partnership with the right hospice provider is critical.***

### **Key takeaways:**

- Studies have shown that many for-profit hospice providers have few trained staff, offer fewer services, and seek patients who need less care.
- Non-profit hospice providers have charitable missions; they are also more likely to have inpatient units, provide more complex care, and often seek additional accreditation and staff training.
- Medicare's Hospice Compare website provides family recommendations and survey scores for three quality indicators for hospice providers.

## **The lay of the land**

Hospice is the end-of-life care that **addresses the physical, psychosocial, and spiritual**

**needs of terminally ill patients** and their families. To qualify, patients must be certified by a hospice medical director and/or attending physician as having a life expectancy of six months or less.

The Medicare Hospice Benefit initially served mainly cancer patients. The patient population has changed significantly, with dementia patients representing almost 21% of the hospice enrollees in 2019.

Over the last three decades, the hospice delivery **system has changed from being dominated by non-profits**, to a system where almost **two-thirds of providers are for-profit**.

Medicare pays hospice providers a per diem or daily rate. This may encourage providers to limit services or to seek patients with less needs who stay enrolled longer.

## **For-profit vs non-profit hospice providers**

**For-profit providers generate monetary gain for investors.** Private equity firms often provide 10%–30% of the funds to purchase the hospice. Remaining funds are borrowed, creating a pressure to generate profits to pay back the investors and loans. **Non-profit hospice providers use profits for additional patient services**, staff training, charity care, and employees since they have a charitable mission.

The U.S. Government Accountability Office documented that, from 2014 to 2017, patients in

for-profit hospices were less likely to receive a hospice visit in the last three days of life. While a 2019 report for the National Partnership for Healthcare and Hospice Innovation showed non-profits provided more nursing, social work, and therapy visits.

Furthermore, for-profit hospice providers were found to have longer lengths of stay, but also discharged more patients before death since the care costs usually increase in the last weeks. They also had **profit margins seven times higher than non-profits** and were found to spend less than half the amount spent by non-profits on family bereavement services.

## **Choosing a hospice provider**

A provider's business structure does not tell the whole story. Good and bad providers exist in both categories. However, determining whether a provider is for-profit or non-profit can help families focus on the type of care questions they should ask. Families want reassurance that loved ones will receive individualized services from trained staff. **Asking family, friends, and health care providers for hospice recommendations is a good place to start.**

Families should ask friends, family and health care professionals what hospice providers they have engaged. It is also important to check the Medicare Hospice Compare Website for information on the provider's business structure, care recommendations, and quality ratings.

Families can use this information to develop other questions regarding the care they and their loved ones will receive.

## **FAQs answered by professionals**

We have talked with three executives at Hospice of the Western Reserve, a non-profit hospice operating in Ohio since 1978. Below, you will find **professional opinion about what you should know when choosing a hospice provider**. The answers were provided by Robert P. Phillips-Plona (Director of Inpatient Services and Facilities), Judy Bartel, MSN, ACHPN, CHPCA, FPCN (Chief Clinical Officer), Mary Kay Tyler, MSN, CNP, CHPCA (Chief Quality Officer).

<b>Question</b>
<i>Does the hospice provider have accreditation be</i>
<i>Do bedside staff, physicians or advanced practic</i>
<i>How are family or patient complaints handled?</i>
<i>Does the provider have an inpatient unit for critic</i>
<i>How do hospice providers in my area compare?</i>
<i>How will my loved one's plan of care be develop</i>
<i>If family or the patient call in the middle of the ni</i>
<i>How can hospice help a family member transiti</i>
<i>What emergency care can be provided for your l</i>
<i>What types of bereavement support is available</i>

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## **Resources:**

1. Medicare Hospice Care: Opportunities Exist to Strengthen CMS Oversight of Hospice Providers.
  2. Hospice Medicare Margins - National Partnership for Healthcare and Hospice Innovation: July 2019.
  3. Acquisitions of Hospice Agencies by Private Equity Firms and Publicly Traded Corporations.
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