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Palliative Care

Hospice in the Era of Post-Acute Care

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Hospice, as defined by the Medicare benefit, has a unique and discreet role in our healthcare system, providing care in the last months (or days) of life. Hospices, however, are not limited to this single role. In the past two decades some hospices have successfully evolved to provide expanded post-acute care services. These expanded services allow the hospices to diversify their revenue while providing a continuum of care to seriously ill individuals and their families.

The Medicare Payment Advisory Commission (MedPAC), which analysis Medicare utilization and quality data, describes post-acute care as including:

"…rehabilitation or **palliative** services that beneficiaries receive after, or in some cases instead of, a stay in an acute care hospital. Depending on the intensity of care the patient requires, treatment may include a stay in a facility, ongoing outpatient therapy, or care provided at home."

Medicare's shift from fee-for-service to value-based payments has resulted in hospitals, for the first time ever, having a financial stake in patient outcomes after discharge. As a result, many hospitals are building post-acute care networks to help prevent 30-day readmissions and reduce 30-day mortality rates. Studies show that home-based palliative care reduces the likelihood of hospitalizations, reduce costs, and improve patient outcomes.

Payers

Payers know that patients enrolled in hospice are less likely to be hospitalized or die in the hospital then patients not receiving hospice.

Aetna, Cambia, Blue Shield of California, and other Medicare Advantage are expanding their efforts to deliver palliative care to seriously ill patients before they are eligible for hospice.

The Centers for Medicare and Medicaid Services is also testing ways to deliver palliative care to individuals

before they are eligible for hospice. The Medicare Care Choices Model, which launched in 2016, is one approach CMS is exploring. Attendees at the National Hospice and Palliative Care Organization's recent Management and Leadership Conference learned about another potential CMS demonstration model at the Town Hall on Serious Illness Care. The purpose of the Town Hall was to provide an opportunity for attendees to learn about the upcoming serious illness demonstration model that the Center for Medicare & Medicaid Innovation is working on. The NHPCO team hopes that a demonstration model, which will focus on home-based care for seriously ill patients, will be released in late 2018.

Hospices in a Post-Acute Care World

Hospices are ideally suited to provide home and community-based palliative care to seriously ill individuals and families. Yet many hospices are reluctant to expand beyond the traditional hospice benefit, despite the evidence that the hospice model may not be financially sustainable for small or mid-size programs.

This approach may seem prudent in the short-term, however longer-term trends indicate that other post-acute care providers, such as home health agencies, skilled nursing facilities, and newly formed companies, are partnering with hospitals and payers to meet the needs of these patients. What's unknown at this point is how these new post-acute care services, when offered by non-hospice providers, will impact hospice referrals and length of stay.

Across the country non-profit and for-profit hospices of all sizes are branching out to meet the post-acute care needs in their community, diversify their revenue sources, and expand relationships with payers, hospitals, physician practices, and skilled nursing facilities. Hospices are:

- Offering home-based palliative care
- Partnering with physicians to offer clinic-based palliative care
- Offering palliative care in skilled nursing facilities
- Contracting with health systems/ hospitals to provide post-acute in-home palliative care services
- Partnering with or joining accountable care organizations
- Starting PACE programs
- Buying or starting a home health or private duty agency

*The following definition of serious illness is being utilized by NHPCO, the NCP Guidelines and others to describe the population in need of palliative care: as a health condition that carries a high risk of mortality **and** either negatively impacts a person's daily function or quality of life **or** excessively strains their caregiver (Kelley and Bollens-Lund, 2018).*

Deciding What to Do

As you talk to your board and staff about the potential of palliative care, be clear as to the goals of the potential palliative care program. Are you seeking to strengthen partnerships? Increase length of stay? Make a profit? Increase your visibility within the community? Meet an unmet need in the community? Or perhaps, all of the above. The important thing is to set realistic goals for the program that the entire leadership of the organization agrees with and supports.

Before making the final decision to expand your post-

acute care services beyond traditional hospice services, study the specific needs of the community to ensure your services match the needs of the patients, families, and referral services. The best way to do this is with a **community needs assessment**. Information collected from publically-available data and talking to key stakeholders will identify patient populations (diagnoses, ages, payers) in need of palliative care, find organizations interested in partnering with your organization, and determining the needs of local hospitals, health systems and payers. Needs assessment data helps your program identify:

The important thing is to set realistic goals for the program that the entire leadership of the organization agrees with and supports.

- The services you have the capacity to provide (staffing, skills, budget)
- Whether you will offer palliative care consultations, provide co-management, or assume care coordination
- The specific population you will service (diagnoses, age, geography)
- The care setting(s) the services will be available
- The value your services have to potential referral sources and partners (financial and patient outcomes)
- Whether it makes sent to acquire an existing organization (eg, home care agency, private duty company)

Concluding Thoughts

The combination of the shift to value-based care and the silver tsunami of baby boomers beginning to inundate the healthcare system, has created a tremendous need for palliative care. Opting not to build an additional service line could result in you losing hospice referrals if other organizations begin to offer palliative care services in your community.

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