

# Medicare Hospice Benefit: In The Spotlight

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Presented by  
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# VITAS Overview

- *Leading provider of hospice services for patients with severe, life-limiting illnesses—approximately 8% of U.S. market share.*
- *In 1980, the VITAS hospice programs in Miami and Fort Lauderdale participated in the original demonstration project of 26 hospices that developed model clinical protocols and procedures for hospice programs across the country.*
- *Provides hospice services through 44 operating programs in 16 states and the District of Columbia.*

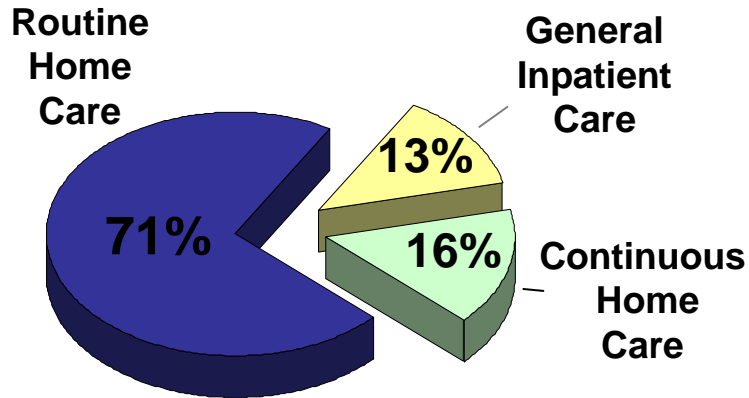
# VITAS Overview (cont.)

## Operating Statistics:

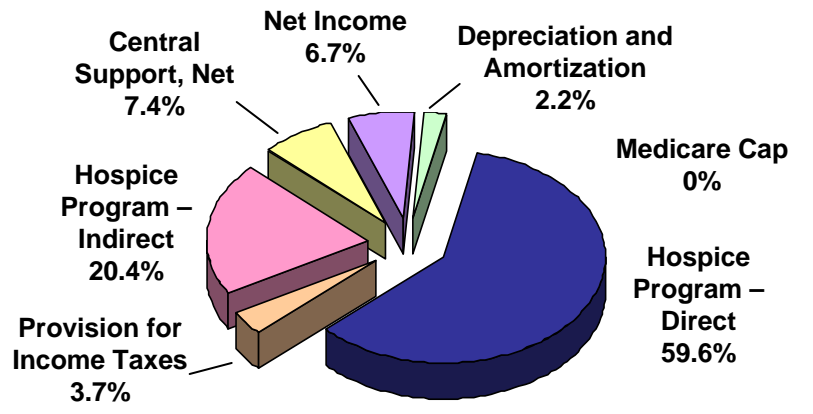
- *Revenues (2007): \$755 million*
- *Average Daily Census per established program (Q1 2008): approximately 300 ADC; largest approximately 1,300 ADC*
- *Average Length of Stay (Q1 2008): 71.5 days*
- *Median Length of Stay (Q1 2008): 13 days*
- *VITAS provided approximately \$9.9 million in charity care to hospice patients nationwide in 2007. This represents an average of 1.3 percent of gross revenues.*
- *VITAS employs 9,226 employees, including more than 3,900 nurses and more than 3,200 home health aides and other direct caregivers.*
- *VITAS averages 5.35 visits per patient per week (March 2008 data).*

# VITAS Overview (cont.)

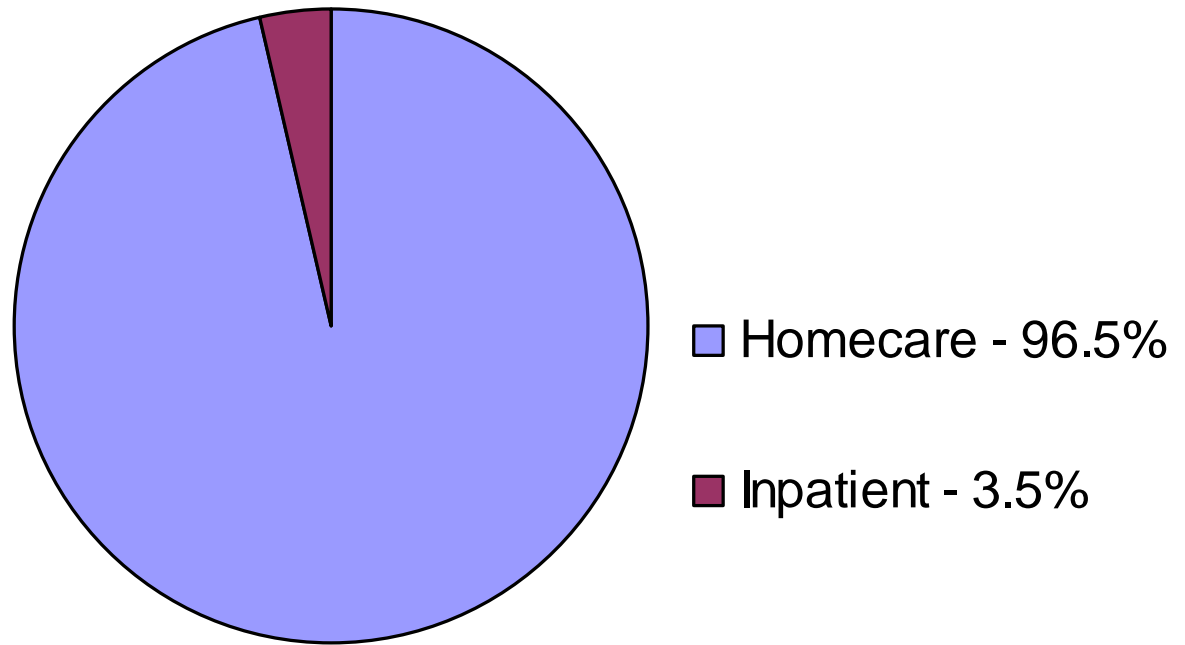
## Revenues Q1 2008



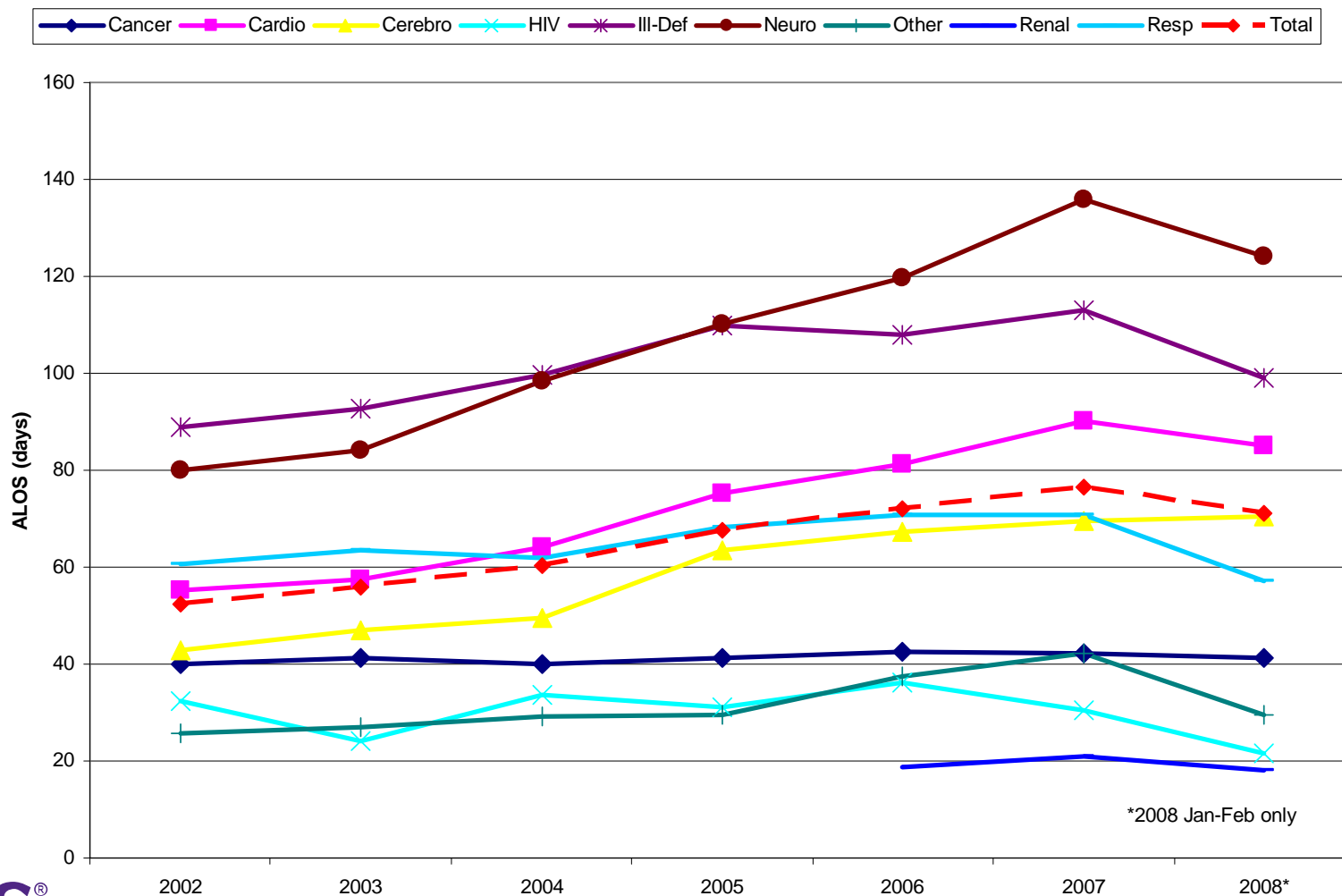
## Net Income Q1 2008



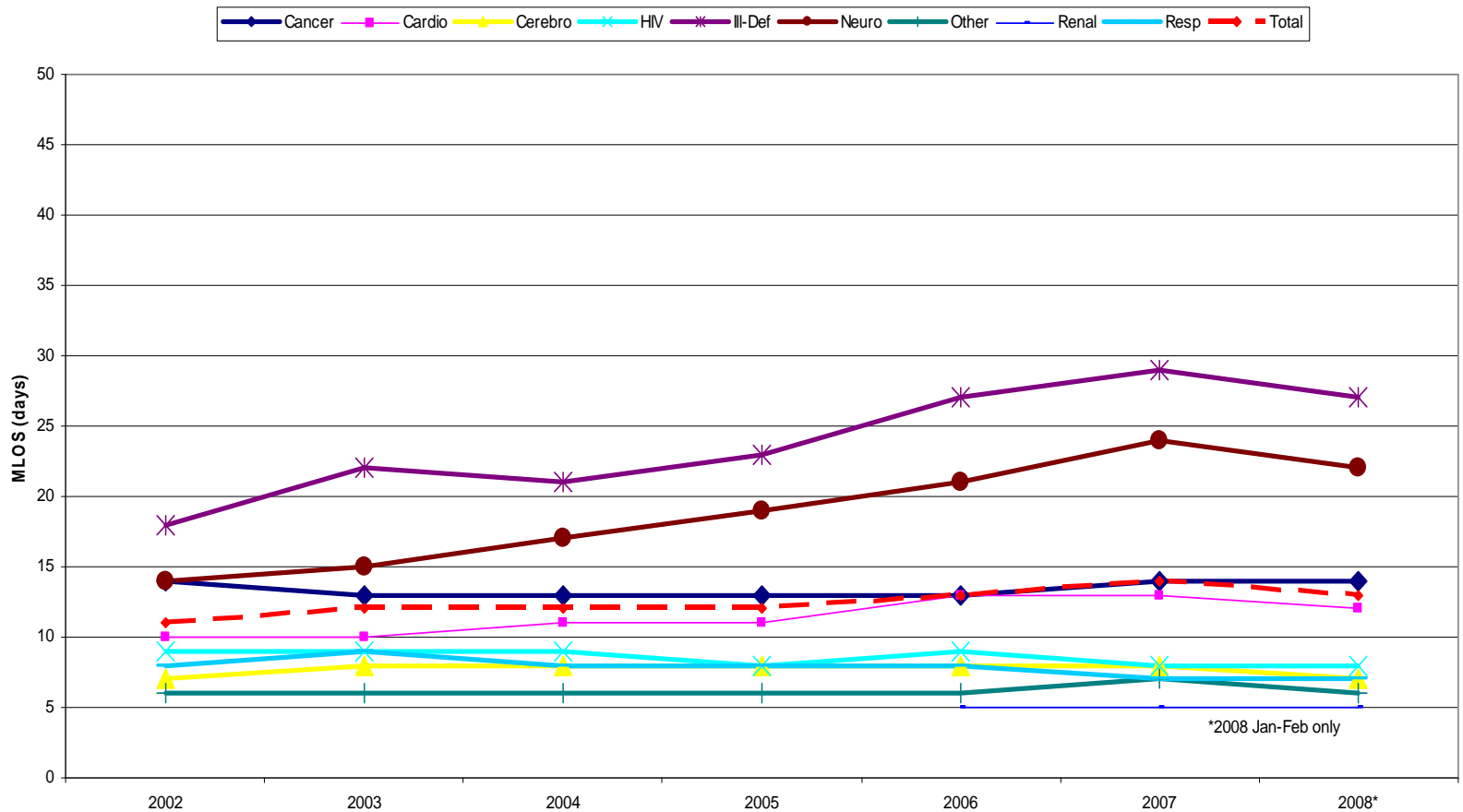
# VITAS Patients... receiving care in their homes



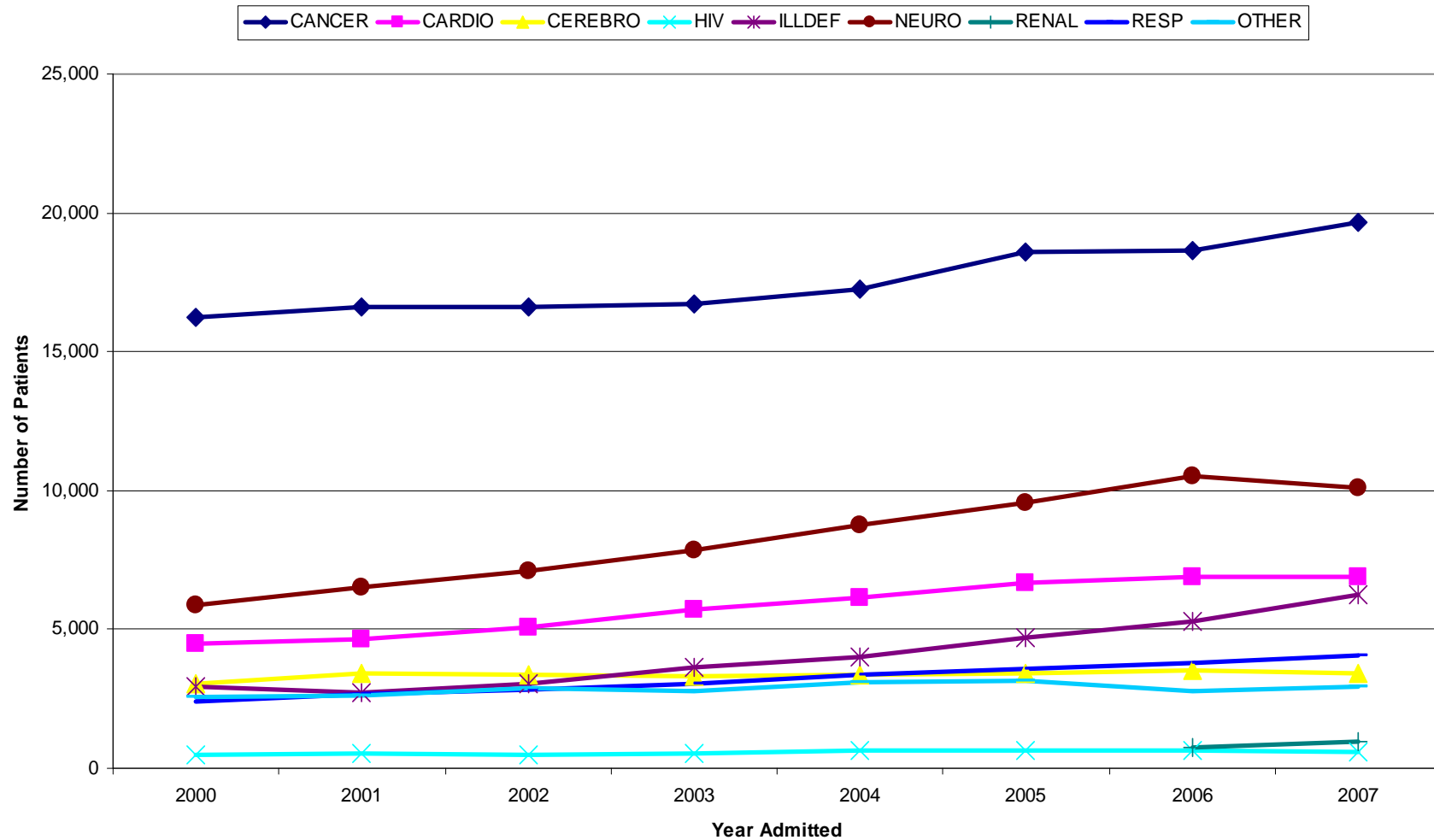
# Average Length of Stay



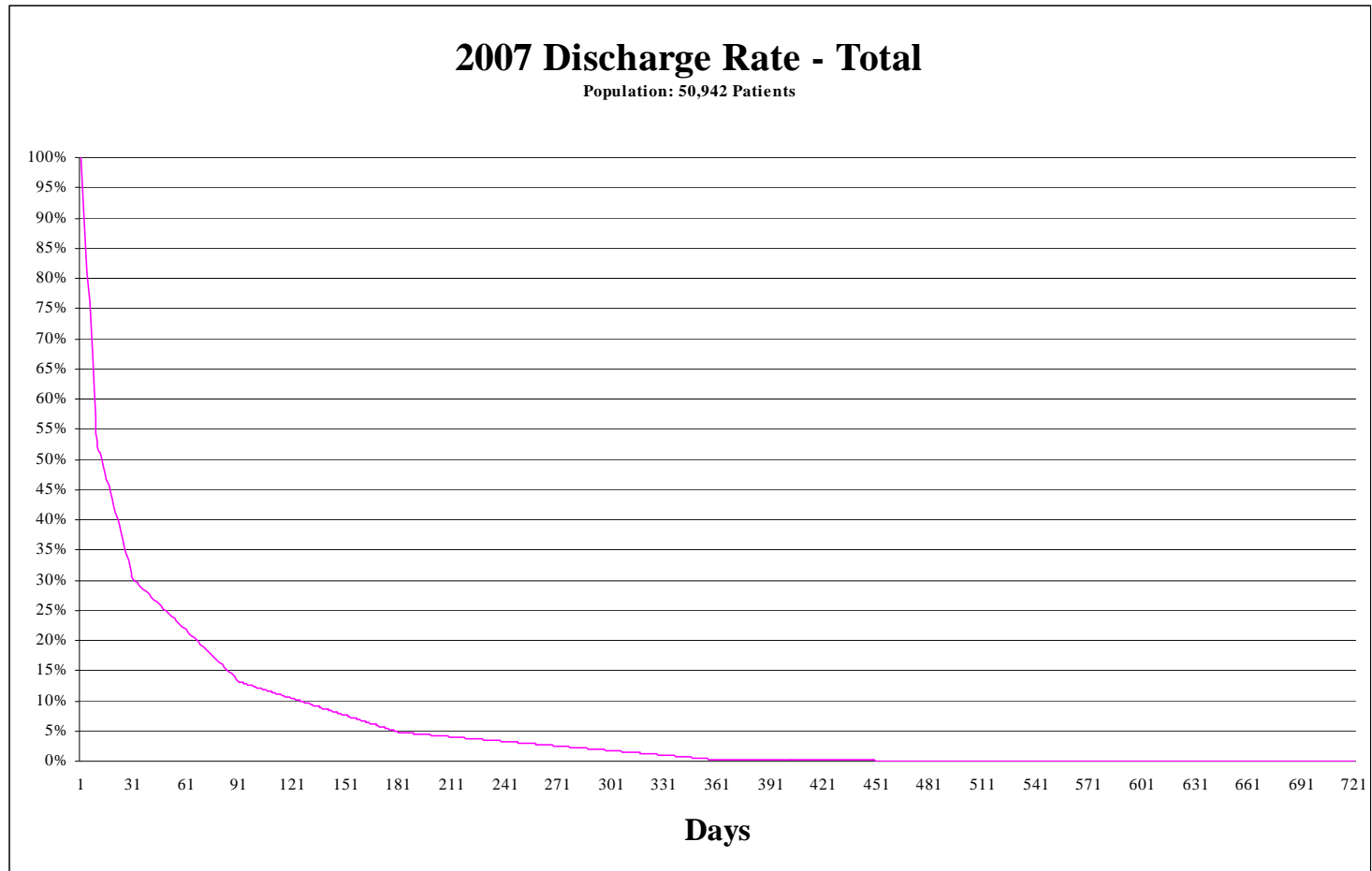
# Median Length of Stay



# Patient admissions by disease



# Discharge Rate



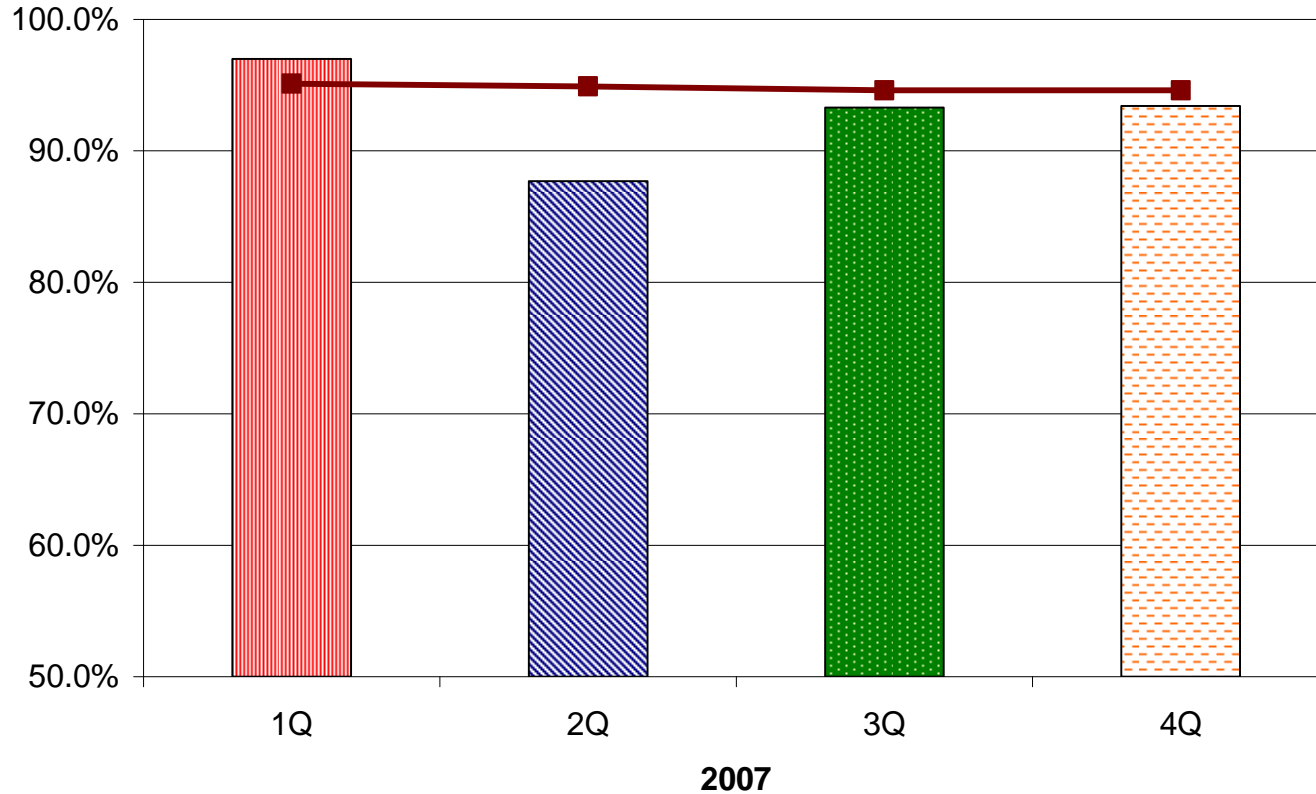
**50% of patients discharged within 13 days**  
**91% of patients discharged within 180 days**

# Quality Assessment—Domains

- *Patient and Family Outcomes*
- *Access to Care and Services*
- *Processes of Care*
- *Contracted Services*
- *Stewardship and Accountability*

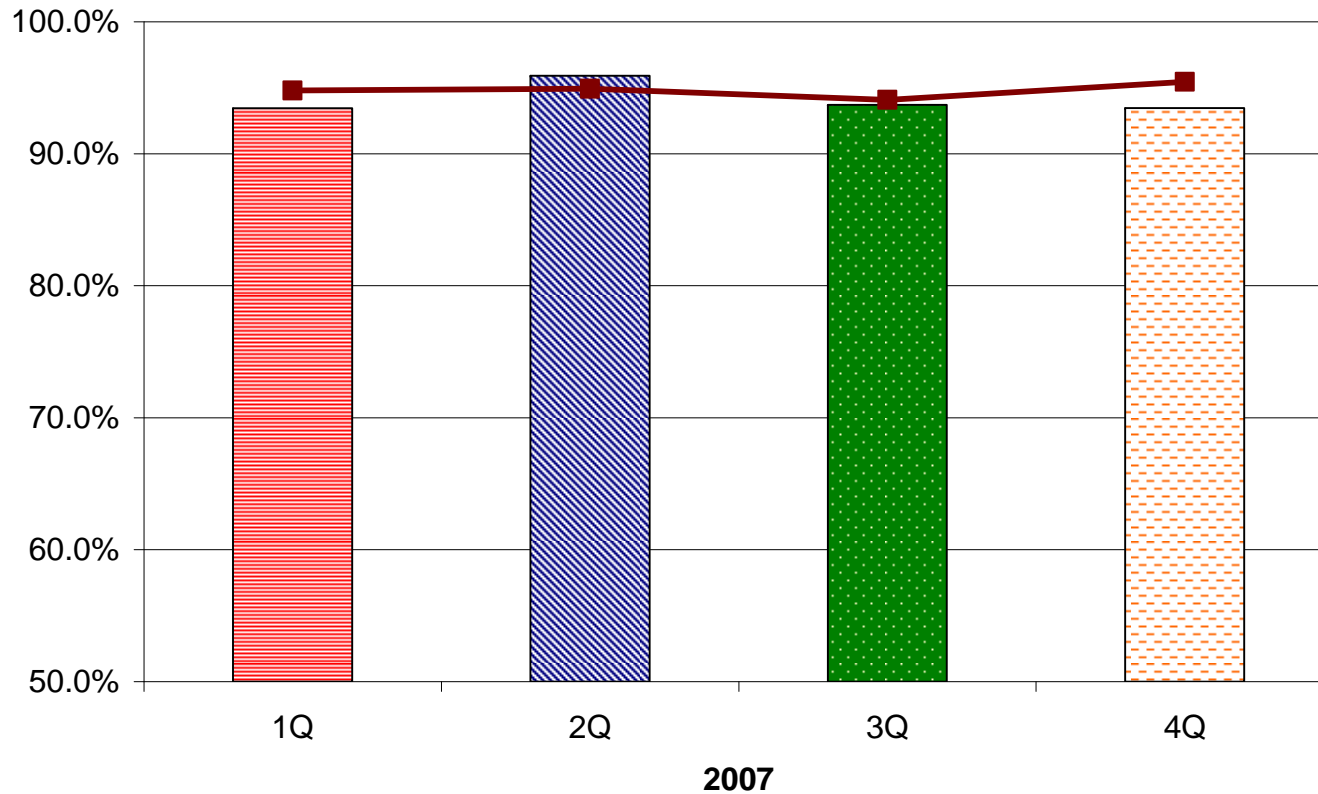
# Quality Measure Examples

PAIN CONTROLLED WITHIN 48 HOURS OF ADMISSION

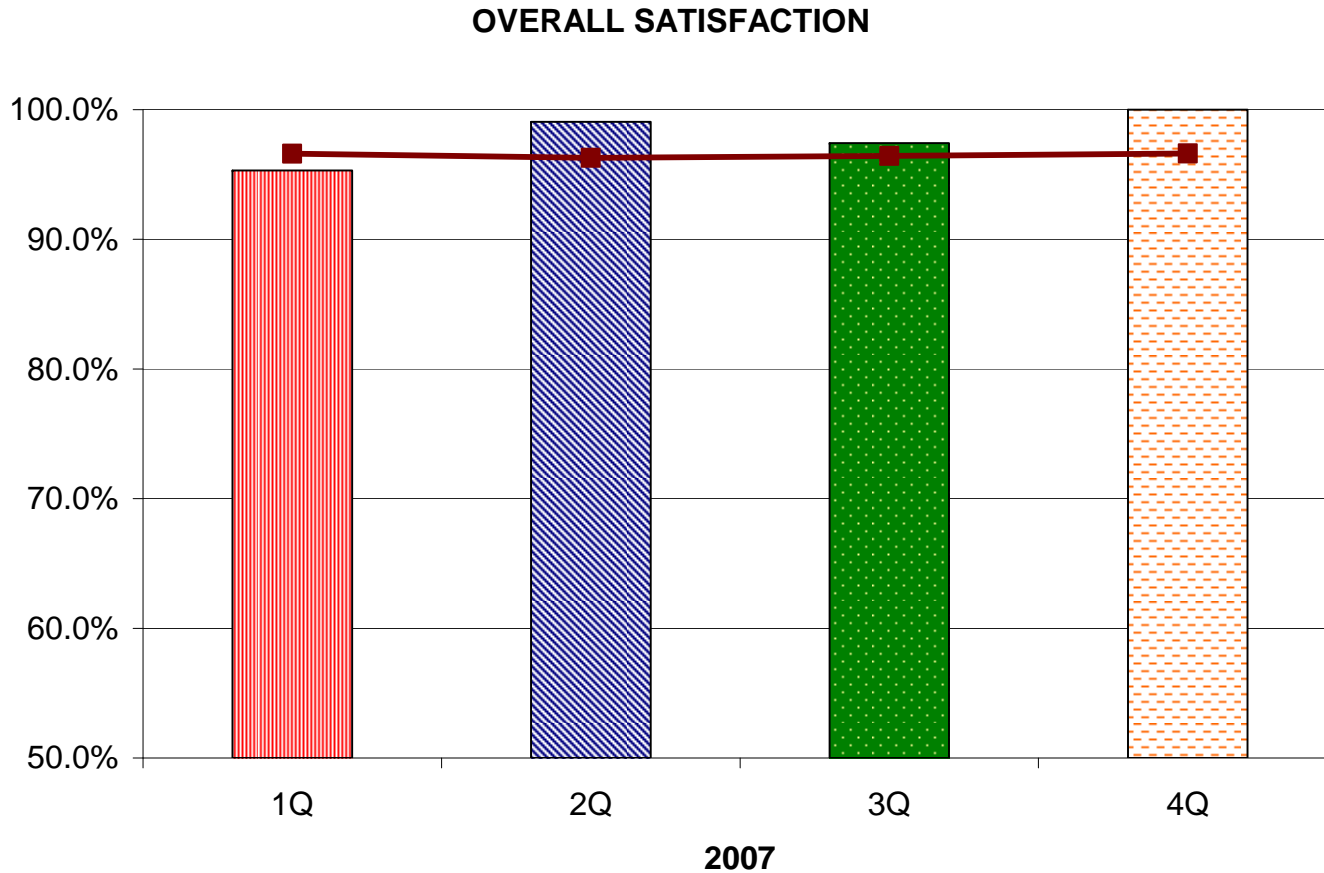


# Quality Measure Examples (cont.)

DEATH OCCURRED SETTING OF PATIENT'S CHOICE



# Quality Measure Examples (cont.)



# Certification of Terminal Prognosis

*Patients typically evaluated by a trained hospice nurse:*

- *Educated by Hospice Medical Director in proper use of clinical guidelines, fiscal intermediary LCDs and other factors (i.e., clinical judgment) that enter into decision to admit*
- *Evaluates information obtained from referring physician, hospital and/or facility records, patient and family*
- *Nurse may contact hospice medical director prior to decision if terminal prognosis is not clear cut or if there are any questions*

# Certification of Terminal Prognosis (cont.)

- *Obtains oral certification from attending physician and obtains initial orders*
- *Reviews information with hospice medical director*
- *If medical director concurs with terminal prognosis, nurse obtains oral certification and reviews plan of care*
- *If medical director has questions, s/he has the opportunity to speak with attending (referring) physician, obtain and review medical record, and/or visit patient within 2-day timeframe provided by law prior to deciding whether to certify prognosis*

# Recertification of Terminal Prognosis

*If patient is determined to still have a prognosis of 6 months or less:*

- *Patient's prognosis is recertified at the appropriate time*
- *Physician documents reasons why in his/her clinical judgment the patient remains terminally ill*

*If patient is determined to no longer be terminally ill:*

- *Physician and/or team inform patient, family, attending physician, and any other concerned parties (i.e., LTCF staff), and discharge planning is initiated*
- *Physician documents reasons why in his/her clinical judgment patient is no longer terminally ill and is being discharged with an extended prognosis*
- *Patient is discharged from hospice with an extended prognosis*

# Hospice Cap Issues

- *Effective cost containment tool, but needs refinement (e.g., wage index)*
- *Incentives for some providers that attempt to manage admission dates in order to control liability (though model is not sustainable)*
- *Limits hospice access for non-cancer terminally ill patients*
- *Discriminates against high-wage states*
- *Reduces coverage below 6 months*
- *Disincentivizes providers from entering still-underserved communities*

# Updating the Medicare Hospice Benefit

- *Reject proposal to phase out the hospice budget neutrality adjustment*
- *Mandate quality and outcome indicators (e.g., pain management, unwanted hospitalizations)*
  - *Lower reimbursement for poor performance*
  - *QAPI is a good first step*
- *Consider reimbursement adjustments based on length of stay*
- *Per diem reimbursement should be adjusted upward and downward for statistical outliers*

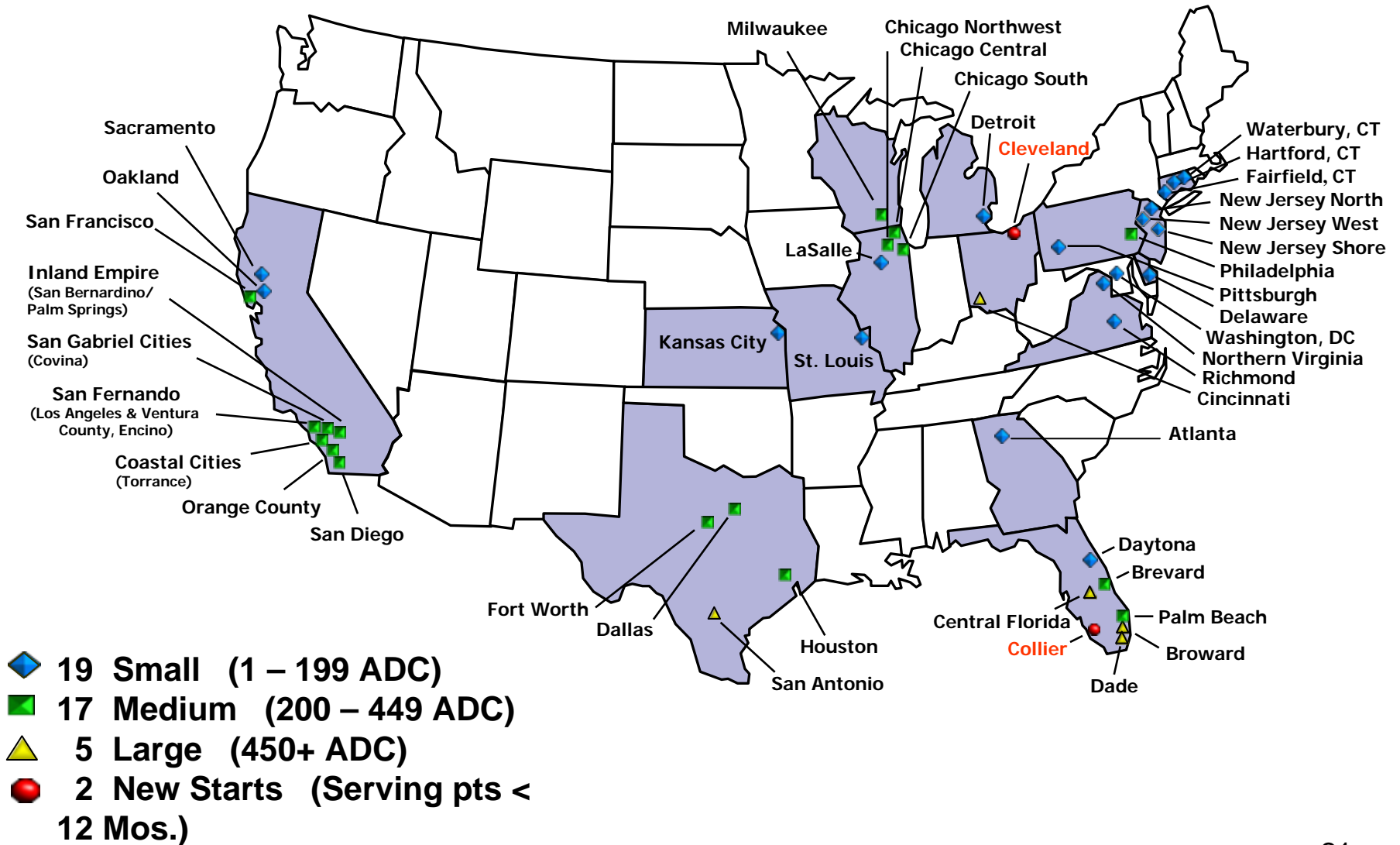
# VITAS History

- *VITAS was founded in 1978 as Hospice Care, Inc., one of the nation's first hospice programs.*
- *The name, VITAS, is derived from the Latin word for lives.*
- *In 1981, VITAS founders led the National Hospice Education Project, a grassroots campaign conducted throughout the country to encourage Medicare coverage of hospice care. The inclusion of hospice services as a Medicare benefit was enacted by Congress in a law signed by then-President Ronald Reagan in 1982.*

# VITAS History (cont.)

- *While hospice initially focused almost exclusively on cancer patients, throughout the 1980s and 1990s, VITAS' then-National Medical Director was an integral member of a number of hospice physician task forces that defined the hospice eligibility criteria for patients with such non-cancer diagnoses as CHF, COPD, dementia, etc.*
- *Today, VITAS is the leading provider of end-of-life care, working in cooperation with hospitals, physicians, nursing homes, assisted living communities, insurers and community-based organizations throughout the nation.*

# VITAS – Locations & ADC (as of March 31, 2008)



# VITAS Values

- *Patients and families come first.*
- *We take care of each other.*
- *I'll do my best today and do even better tomorrow.*
- *I am proud to make a difference.*