For-profits may be cherry-picking hospice patients

LINDSEY TANNER - AP Medical Writer - Associated Press

For-profit hospices may be cherry-picking the least costly, most lucrative patients, potentially putting the nonprofit industry at a financial disadvantage, a study suggests.

The researchers found hospice care provided by for-profit agencies averaged 20 days versus 16 days for nonprofit agencies. Care lasting more than one year was most common among for-profit hospice patients.

Also, compared with nonprofits, for-profits had about twice as many patients with dementia and fewer cancer patients. End-of-life cancer care is typically much more intensive and costly than dementia care.

Patients with more days under hospice care and lower skilled needs may be more profitable under the Medicare reimbursement system for hospices, said lead author Dr. Melissa Wachterman, a palliative care physician at the Harvard-affiliated Beth Israel Deaconess Medical Center in Boston.

Medicare pays hospices a flat daily rate per patient — roughly $143 daily last year — regardless of how much or how often care is needed.

The fixed rate "may create a financial incentive to select patients requiring less resource-intensive services," the study authors wrote.

But the head of the National Hospice and Palliative Care Organization, which represents 3,800 nonprofit and for-profit hospice providers, said suggesting that the for-profit industry selects certain patients is "a bit of an over-generalization."

Hospice practices including quality of care depend on an organization's staff and leadership, not tax status, said Don Schumacher, the hospice group's CEO.

More than 1 million people nationwide received hospice care in 2009, according to the group. Medicare covers hospice care for patients with a life expectancy of six months or less.

Typically, patients or their families select an agency for hospice care based on referrals by physicians, nursing homes or other professionals.

Whether for-profit hospices actively seek certain kinds of patients — or reject others — to keep costs down can't be gleaned from the study data. The study also did not examine financial differences or quality of care at for-profit and nonprofit hospices.

But the findings raise concerns that to maximize profits, for-profit hospices may be marketing themselves to nursing homes that house a high percentage of less costly patients needing less skilled hospice care, said Wachterman.

"Patient selection of this nature leaves nonprofit hospice agencies disproportionately caring for the most costly patients," the study authors wrote. "As a result, those hospices serving the neediest patients may face difficult financial obstacles to providing appropriate care" in the Medicare payment system.

The study appears in Wednesday's Journal of the American Medical Association.

The researchers examined a 2007 government survey on hospice care. Their study is based on a nationally representative sample of 4,705 patients served by 145 for-profit agencies and 524 nonprofits.

Hospice programs provide comfort care for dying patients in their own homes, nursing homes, hospitals or other care centers. Hospice staff may include doctors, nurses, social workers and home health aides.

Medicare patients comprise 84 percent of hospice patients nationwide.

The authors note there's been a surge in for-profit hospices — from 725 to 1,660 between 2000 and 2007. Nonprofit hospices remained mostly stable during that time, numbering 1,205 in 2007, the study said.

Two of the nation's largest for-profit hospice groups, Miami-based VITAS Innovative Hospice Care and Gentiva Health Services, Inc. in Atlanta, declined to comment on the study.

But a Gentiva spokesman said it doesn't discriminate on the basis of diagnosis, ability to pay "or any other criteria."

Dorothy Deremo, CEO of Hospice of Michigan, one of the nation's largest nonprofit hospice programs, said the study "just confirms what exists" in the hospice industry. For-profit hospice programs "are selectively marketing to those physicians and facilities that will give them the portfolio of patients that will create the highest profit."

While the study lacked data on type of care provided, it found that patient visits from hospice nurses averaged less than once daily in both for-profit and nonprofit hospices. Wachterman said there's a common misconception that hospice workers provide round-the-clock bedside care. Instead, hospice workers typically provide more intermittent care but counsel family members and other caregivers on how to provide "moment to moment" care, and are available 24 hours a day if problems arise, she said.

Source URL (retrieved on *05/24/2013 - 11:13am*):

http://www.mdtmag.com/news/2011/02/profits-may-be-cherry-picking-hospice-patients