U.S. Department of Health and Human Services
Assistant Secretary for Planning and Evaluation
Office of Disability, Aging and Long-Term Care Policy

TRACKING THE IMPACT OF OWNERSHIP CHANGES IN HOSPICE CARE PROVIDED TO MEDICARE BENEFICIARIES:

FINAL REPORT

January 2017

Office of the Assistant Secretary for Planning and Evaluation

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In particular, DALTCP addresses policies concerning: nursing home and community-based services, informal caregiving, the integration of acute and long-term care, Medicare post-acute services and home care, managed care for people with disabilities, long-term rehabilitation services, children's disability, and linkages between employment and health policies. These activities are carried out through policy planning, policy and program analysis, regulatory reviews, formulation of legislative proposals, policy research, evaluation and data planning.

This report was prepared under contract #HHSP233201500026C between HHS's ASPE/DALTCP and Vanderbilt University. For additional information about this subject, you can visit the DALTCP home page at https://aspe.hhs.gov/office-disability-aging-and-long-term-care-policy-daltcp or contact the ASPE Project Officer, Iara Woody, at HHS/ASPE/DALTCP, Room 424E, H.H. Humphrey Building, 200 Independence Avenue, S.W., Washington, D.C. 20201; Iara.Woody@hhs.gov.

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LIST OF EXHIBITS

ACRONYMS

The following acronyms are mentioned in this report.

CHC	Continuous Home Care
CHF	Congestive Heart Failure
CMS	Centers for Medicare & Medicaid Services
COPD	Chronic Obstructive Pulmonary Disease
FP	For-Profit
GIP	General Inpatient Care
HMO	Health Maintenance Organization
LPN	Licensed Practical Nurse
MD	Medical Doctor
MDS	Minimum Data Set
NFP	Not-For-Profit
NH	Nursing Home
NP	Nurse Practitioner
PECOS	Provider Enrollment, Chain and Ownership System
POS	Provider of Service
RHC	Routine Home Care
RN	Registered Nurse
SW	Social Worker

EXECUTIVE SUMMARY

This study examines hospice ownership in detail by going beyond the general distinction of for-profit (FP) or not-for-profit (NFP) to consider the extent to which regional or national chains have entered the hospice provider market and how the populations they care for and the services they provide might be distinct from other types of hospice agencies. We believe the study's findings will be of interest to policymakers, government entities, researchers, and others in developing regulatory strategies and quality improvement efforts.

This study utilizes multiple data sources (Medicare Cost Reports, Medicare claims data, Minimum Data Set, and Provider of Services files from 2000-2013) to describe the evolution of the United States hospice care sector, including changes in ownership type and chain status among Medicare-certified hospice agencies, the role of the largest hospice chains, and service use difference across ownership and chain status. In addition to characterizing industry trends, we produced descriptive statistics by agencies' chain status, ownership type, and size, including patient demographic traits and terminal diagnosis, hospice length of stay, percent of very short stays, and the percent of stays with live discharges, and the percent of decedents who do not receive general inpatient care or continuous home care (CHC) hospice in the last seven days of life. We also analyzed several hospice visit outcome measures, including the percent of days with any visits, average visit hours per day, the percent of patients receiving skilled visits at the end of life. Finally, we used regression models to explore the relationship between ownership type and the service use and visit outcomes, controlling for patient and market level factors.

Between 2000 and 2013, the number of Medicare beneficiaries served by chain hospices more than quadrupled, and FP chain agencies are now the largest category of hospice agencies nationally. Around half of all Medicare enrollees received hospice services from a chain in 2013, and three-fourths of those enrollees received services from a FP chain. Although a small number of large chains play a prominent role in the FP hospice sector, most chains are regionally focused and modest in size. FP chains play an especially prominent role in the South.

We observed substantial heterogeneity within hospice profit status, highlighting the need to consider factors such as agency size and chain affiliation to understand factors that might shape Medicare beneficiaries' hospice care. For instance, the role of small agencies is relatively prominent among non-chain FPs, with these agencies having distinct service use patterns such as higher rates of live discharge and lower availability of intensive services at the very end of life.

Our results highlight the value of more detailed analyses of hospice ownership to offer a more nuanced assessment concerning the role of structural and organizational

dimensions in care delivery. Such a focus will help guarantee that clinicians, patients, researchers, and policymakers have the tools necessary to assess care provided by particular companies and to ensure greater transparency in the hospice marketplace.