



## + 2021 Hospice Care Trends: A YEAR IN REVIEW AND WHAT'S TO COME

After a year of technological advancement, post-pandemic recovery, and new regulations, change is on the horizon.



### What's Changed in 2021

It's been a fiscal year of great advancement and great disappointment. While recent changes are the result of post-pandemic recovery, many new developments are here for the long haul. We're taking a look at policy changes, their social and economic implications, as well as predictions for end-of-life comfort care trends to anticipate within the next fiscal year.



#### **For-Profit Spend**

According to the *March 2021 Medicare Payment Policy* report produced by the Medicare Payment Advisory Commission (MedPAC), Medicaid **spent \$20.9 billion** on all hospice users in 2019, averaging an **annual increase of 11%**.<sup>1</sup> While there has been a significant increase of Medicare spending in for-profit hospice providers from 2016 to present, it is unclear whether this increase is attributable to an increase of in-home care opportunities, a **4% increase in hospice providers**, advances in treatment, or an increase in the number of individuals electing to receive hospice care.



#### **Duration of Stay**

Individuals receiving care at for-profit hospice facilities are staying **over 63% longer** than those in non-profit facilities. Those who do reside on-premises longer than the projected 180-day stay **comprise \$12.3 billion dollars** of the \$20.9 billion total spend.



#### **Telehealth**

Medical diagnoses, inquiries, and advisory services in virtual settings became not only available, but common during COVID-19. The increasing availability is assisted by the Hospitals Without Walls program and relaxed telehealth regulations which contribute to its scalability. It is a recent change that is likely to stay as many advocate for CMS to make certain flexibilities permanent.



#### The Push for Interoperability

In 2021, the Department of Health and Human Services encouraged the adoption of interoperable health information technology, a nationwide health information exchange (HIE), and Digital Quality Measures (DQMs) such as EHRs and EMRs. Unfortunately, DHHS stopped short of providing a standardized file format or dictating a NLT date for adoption. **These systems leverage AI, machine learning, automation, and predictive analytics.** 



#### Notice of Election Statement Addendum Signage

In the 2022 Proposed Rule, the CMS proposed that changes be made to the Election Statement Addendum. If requested at time of election, facilities will be required to provide the addendum to the patient within 5 days after the comprehensive assessment. If requested within five days after the date of election, it must be provided within three days. Rather than the "signage date", CMS proposes that the "date furnished" must be within the required time frame, **allowing patients extra time to review the paperwork and sign electronically.** The acknowledgement of reception must be visible on both the addendum and medical record.

## WHAT'S NEW BY THE NUMBERS: 2021 Review & Regulations

95%

Medicare pays **95%** of patient respite care expenses so long as their life expectancy is six months or less.<sup>1</sup>

## \$12.3B

Medicare spent **\$12.3 billion**, over half of total hospice spending, **on patients with stays exceeding 180 days.**<sup>2</sup>

+ \$30,683.93 hospice spend cap

- **5%** cap on decreases in payments
- \$59.68/hr RHC and CHC Service-Intensity Add-on (SIA)
  - **Condition:** provided to hospices for up to four hours per day in the final seven days of life for RHC & CHC.

 April 8, 2021: Centers for Medicare & Medicaid Services (CMS) announces the Hospice Care Index (HCI), a new measure for Hospice Quality Reporting Program (HQRP) which takes into consideration 10 factors to provide hospice program information and suggestions to patients and families.

#### Taking a Look at What's Ahead in 2022



Fiscal Year 2022 CMS Proposal: Hospice Wage Index and Payment Rate Update and Hospice Quality Reporting Requirements<sup>7</sup>

The 2022 CMS proposal included three main initiatives. The ruling proposes a revision of labor shares for Continuous Home Care (CHC), Routine Home Car (RHC), Inpatient Respite Care (IRC), and General Inpatient Care (GIC). CMS further recommends a continuation of establishing separate labor shares according to compensation cost weights for each level of care.

#### The calculation will be based on five key criteria, including:

Direct patient care salaries and contract labor costs

2

Direct patient care benefits costs



Other patient care salaries



Overhead salaries



Overhead benefits costs

#### Office of Inspector General (OIG) Report

"Hospices [are] engaging in inappropriate billing, not providing needed services and crucial information to beneficiaries in order for them to make informed decisions about their care" - Department of Health and Human Services .<sup>8</sup>



45%

#### **#1 COVID Related Challenge**

**Patient Access: 45%** of individuals indicate patient access as their primary COVID-19 concern. Minimal patient access results in less visitation, limited staff training, and lower satisfaction. <sup>9</sup>

# 10,640-24k

#### **#1 Non-COVID Related Challenge**

**Staffing Shortages:** Due to increasing hospice care demands, the number of workers needed by 2040 is an estimated **10,640 to 24,000 specialists**, while the actual supply is an estimated 8,100 to 19,000 specialists – an over 23% shortfall.<sup>10</sup>



#### **Expanding Facilities**

A major predicted change for 2022 is the expansion of both the number of individuals opting to receive hospice care and the subtypes of EOL services offered. The Population Reference Bureau projects that the number of individuals over 65 years of age will reach 95 million by 2060.<sup>11</sup> Hospices will likely continue extending their care offerings beyond basic comfort care to include physical, spiritual, and emotional support. These services are also expected to enlarge their scope to alternative virtual care options, accommodating the increasing elderly population.



#### **Alternative Care Destinations**

The 2020 pandemic initiated a transition to remote and out-of-office care, a transition that is likely to continue due to limited space availability and patient convenience. Patient convenience is enhanced by comfort, frequent visits, access to familial support, and a 24/7 patient assistance phone line. Due to the comparable advantages, the total number of care plans offering in-home palliative and hospice care coverage increased from 61 plans to 134.<sup>12</sup> This linear incline is predicted to continue into 2022.

#### **Financial Assistance for Virtual Care**

In October of 2020, a bipartisan bill was proposed to enable Medicare reimbursement for needed services provided via audio and video channels (telehealth). The Home Health Emergency Access to Telehealth (HEAT) Act, proposed by Senators Susan Collins and Ben Cardin, was not passed but has since been reintroduced as of April 2021.<sup>13</sup> CMS may be able to secure telehealth reimbursement for patients in the coming years.



#### **Health Equity**

The CDC notes that COVID-19 exacerbated the gap between individuals who received quality care, and those who did not. The pandemic unequally affected individuals, particularly disadvantaging racial and ethnic minorities who lack access to and affordability of care. While economic and social determinants of health still perpetuate health inequality, improvements in data collection, measurement, treatment, and reporting are predicted to reduce disparities<sup>14</sup> in care accessibility and quality. Advancements in EHR and EMR technology, information exchange, virtual visits, and predictive analytics may provide efficient, affordable, and accessible care to all patients.

# ABOUT KanTime

KanTime's EMR solutions help your agency adapt to the changing hospice landscape, providing you with advanced data collection, HIE, digital quality measurement, and reporting. Our advanced web-based system enables you to optimize and streamline all aspects of your agency while maintaining compliance with ongoing regulatory changes. To learn more about providing quality end-of-life care, schedule a demo, schedule a demo.



<sup>1</sup> Centers for Medicare & Medicaid Services (2020). Medicare Hospice Benefits.

<sup>2</sup> MedPAC (2021). March 2021 Report to the Congress

- <sup>3</sup> Department of Health & Human Services (2021). FY 2022 Hospice Wage Index and Payment Rate Update, Hospice Conditions of Participation Updates, Hospice and Home Health Quality Reporting Program Requirements, Federal Register.
- <sup>4</sup> Department of Health & Human Services (2021). FY 2022 Hospice Wage Index and Payment Rate Update, Hospice Conditions of Participation Updates, Hospice and Home Health Quality Reporting Program Requirements, Federal Register. <sup>5</sup> Hospice News (2021). 2021 Hospice News Outlook Survey and Report.
- <sup>e</sup> Lupu et. al (2018). The Growing Demand for Hospice and Palliative Medicine Physicians: Will the Supply Keep Up?
- <sup>7</sup> MedPAC (2021). March 2021 Medicare Payment Policy Report.
- <sup>8</sup> MedPAC (2021). March 2021 Medicare Payment Policy Report.
- <sup>9</sup> Department of Health & Human Services (2021). FY 2022 Hospice Wage Index and Payment Rate Update, Hospice Conditions of Participation Updates, Hospice and Home Health Quality Reporting Program Requirements, Federal Register.
- <sup>10</sup> Department of Health & Human Services (2021), FY 2022 Hospice Wage Index and Payment Rate Update, Hospice Conditions of Participation Updates, Hospice and Home Health Quality Reporting Program Requirements, Federal Register. <sup>11</sup> Grandview Research (2019), Market Analysis Report.
- <sup>12</sup> Fav. M. (2021). Hospice Costs & End-of-Life Options.

13 Press Release (2020). Collins, Cardin Introduce Bipartisan Bill to Improve Access to Home Health Care Furnished By Telehealth Amid Public Health Emergencies.

14 Department of Health & Human Services (2021). FY 2022 Hospice Wage Index and Payment Rate Update, Hospice Conditions of Participation Updates, Hospice and Home Health Quality Reporting Program Requirements, Federal Register.