

Hospice Care Saves Money for Medicare

Hospice Care Saves Money for Medicare, New Study Shows
Average Savings of \$2,309 per Hospice Beneficiary

(Alexandria, Va) -- Findings of a major new study of hospice care in America show that hospice services save money for Medicare and bring quality care to patients with life-limiting illness and their families. This provides useful evidence to support the many benefits of hospice, reports the National Hospice and Palliative Care Organization.

Researchers found that hospice reduced Medicare costs by an average of \$2,309 per hospice patient. The new study from Duke University appears in the October 2007 issue of the professional journal "Social Science & Medicine."

Additionally, Medicare costs would be reduced for seven out of 10 hospice recipients if hospice has been used for a longer period of time the study found.

"Given that hospice has been widely demonstrated to improve quality of life of patients and families...the Medicare program appears to have a rare situation whereby something that improves quality of life also appears to reduce costs," writes lead author Don H. Taylor, Jr., assistant professor of public policy at Duke's Sanford Institute of Public Policy.

For cancer patients, hospice use decreased Medicare costs up until 233 days of care. For non-cancer patients there were cost savings seen up until 154 days of care. While hospice use beyond these periods cost Medicare more than conventional care, the report's authors wrote that "More effort should be put into increasing short stays as opposed to focusing on shortening long ones."

The National Hospice and Palliative Care Organization reports that 1.3 million patients received care from one of the nation's 4,500 hospice providers in 2006. This represents a steady increase of more than 100,000 patients than the previous year. Approximately 35 percent of all deaths in the US were under the care of a hospice program.

"The trends for increased usage of hospice are expected to continue as we see an aging generation of baby-boomers face end-of-life situations for themselves and their parents," remarked J. Donald Schumacher, NHPCO president and CEO. "Hospice helps people live with dignity, comfort, and compassion during life's final journey – to know definitively that it provides a cost savings to Medicare is an additional benefit."

Hospice is not a place but a philosophy of care that provides pain management, symptom control, psychosocial support, and spiritual care to patients and their families.

This study is a landmark independent research effort, not only because it shows cost savings for hospice utilization, but because it also addresses research flaws and questionable analyses in previous hospice cost studies. The study used a methodology to match Medicare beneficiaries who used hospice and those who did not in a fashion that could be described as an "apples to apples" approach that yields sound results.

"Given that November is National Hospice Palliative Care Month, it's most fitting that this valuable study come out now," added Schumacher.

The study was funded by the Health Care Financing Organization (HCFO) of the Robert Wood Johnson Foundation. Further information about hospice is available from NHPCO's Caring Connections at www.caringinfo.org or by calling the HelpLine at 800-658-8898; the Spanish-language HelpLine, Cuidando con Cariño, is 877-658-8896.

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Note: NHPCO members can access a PDF of the report as well as additional outreach materials via the NHPCO members-only section of Web site.

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