



## FACTS AND FIGURES ON HOSPICE CARE IN AMERICA

### Hospice Programs

NHPCO estimates that there are 3,139 operational or planned hospice programs in the U.S. today, including the District of Columbia, Puerto Rico, and Guam.

In 1999, 44% of hospices were independent, freestanding agencies, 33% were hospital-based, 17% were home health agency-based, and 4% were based in nursing homes or under other auspices. Seventy-six percent of hospices were nonprofit, 4% were government organizations, 18% were for-profit, and 3% were not identified.

### Patients Served

In 1999, nearly 2.4 million Americans died. Less than 50% died in a hospital; 25% died in a nursing home; and 25% died in their own home or elsewhere. For those who were served by hospice care, 78% were able to die at home or under hospice care in a nursing home (MedPAC 2000).

According to actual patient counts supplied by its member hospices, and conservative estimates for other hospice programs, NHPCO estimates that hospices admitted 700,000 patients in 1999. We further estimate that over 600,000 Americans died while receiving hospice care in 1999 (or 29% of all Americans who died that year), up from 540,000 in 1998.

### Length of Service

In 1999, average length of enrollment in hospice care was 48 days; median length of service was 29 days.

In 1998, average length of enrollment in hospice care was 51.3 days; median length of service was 25 days.

### Hospice Insurance Coverage

Hospice care became a covered benefit under the Medicare program in 1983. In 1997, Medicare spent approximately \$2 billion of its roughly \$200 billion budget on hospice services provided to 382,989 patients who received over 19 million days of hospice care.

Hospice is care also covered by Medicaid in 43 states and D.C. Coverage for hospice care is provided to more than 80% of employees in medium and large businesses. Eighty-two percent of managed care plans offer hospice benefits, along with most private insurance plans and the federal Civilian Health and Medical Program of the Uniformed Services program.

### Patient Information

Hospices now care for over half of all Americans who die from cancer, and a growing number of patients with other chronic, life-threatening illnesses, such as end-stage heart or lung disease. America's hospices were leaders in caring for terminally ill patients with HIV/AIDS.

In 1995, 52% of all hospice patients were male and 48% female. For male hospice patients, 71% were 65 years of age or older, 17% were 50-64; 10% were 18-49; and 1% was 17 or younger. For the female patients, 74% were 65 or older; 16.7% between 50-64; 8% were 18-49; and 1% was 17 or younger.

In 1995, 83% of hospice patients were white, 8% were African American, 3% were Hispanic, and 6% were identified as "other."

### Costs, Savings, and Revenue

In 1995, 65% of hospice patients were covered by Medicare, 12% had private insurance coverage, 8% were covered by Medicaid, 4% were indigent, and 11% were other. Actual revenues for hospices in that year were: Medicare, 74%; private insurance, 12%; Medicaid, 7%; and "other" (e.g., donations, grants, private pay), 7%.

There is no nationwide standard on what are the actual costs of caring for a hospice patient. The closest determination is Medicare's per-diem (daily all-inclusive) rate, paid to hospices for each day a

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patient is enrolled on the hospice benefit. In 2000, the Medicare rate is \$101.84 per day (adjusted for regional wage differences) for routine home care and \$453.04 per day for general inpatient care.

More than 90% of hospice days of care are provided in patients' homes, substituting for more expensive hospitalizations. For hospice patients served in 1995, 77% died in their own personal residence, 19% died in an institutional facility such as hospital or nursing home, and 4% died in other settings.

A 1995 Lewin-VHI study, commissioned by NHPCO, showed that for every dollar Medicare spent on hospice, it saved \$1.52 in Medicare Part A and Part B expenditures. A 1988 study conducted by the Health Care Financing Administration showed savings of \$1.26 for every Medicare dollar spent on hospice. The 1995 study also showed that in the last year of life, hospice patients incurred \$2,737 less in costs than those not on the Medicare Hospice Benefit. These savings totaled \$3,192 in the last month of life, as hospice home care days often substituted for expensive hospitalizations.

Twenty-eight percent of *all* Medicare costs go towards care of people in their last year of life; almost 50% of those costs are expended in the last two months of life.

### Accreditation

There is no mandatory nationwide accreditation or "seal of approval" for hospice care, although NHPCO is currently exploring ways to utilize its voluntary "Hospice Standards of Practice" to raise the overall quality of care provided by America's hospices.

Many hospice programs are certified voluntarily by Medicare and accredited by the Joint Commission on Accreditation of Healthcare Organizations or Community Health Accreditation Program. As of 1999, 44 states have hospice licensure laws defining requirements for operating as a hospice program.

### America's View of End of Life Care

According to a public opinion survey conducted for the National Hospice Foundation in April 1999 with people 45 years of age and older:

- Americans are willing to talk about safe sex and drugs with their children than to discuss end-of-life care with their terminally-ill parents. Only 24% of

Americans put into writing how they want to be cared for at the end of life. A substantial proportion, 19%, have not thought about end of life care at all, while 16% have thought about it, but not told anyone their wishes.

- Of those people who experienced the terminal illness of a loved one in the past year, only 22% used hospice services; 8 in 10 had not used hospice care.
- Eighty percent of the respondents said that they did not know the meaning of the term hospice. Few mentioned pain control (2%) or the idea of providing support for the patient and the family (7%) in their definitions of hospice.
- Forty-four percent responded that they did not know how hospice care is paid for. Ninety percent did not know that Medicare is one of the means by which hospice care is funded. This lack of knowledge does not vary across age, income, education, or race.
- People do know what they want from end-of-life care: 83% believe that making sure the patient's wishes are enforced is extremely important. Being able to choose among the types of services the patient could receive was also extremely important according to 82% of the respondents.
- People are willing to have an outside organization come into their homes and assist with care for a family member in the last stage of life. Fully 66% would welcome help from an outside organization, while 24% would prefer to take care of the family member by themselves, with the help of family and friends.

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