



Cost Savings Due to Hospice Enrollment in CMS ACO Populations

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Abstract

Hospice utilization has long been recognized as a health care resource that improves the quality of care, lowers costs and substantially reduces physical, spiritual and emotional stress on patients, care givers and family members. Studies have found that many hospice patients appear to live longer due to these factors¹.

Using data from a CMS ACO population, we found that hospice utilization consistently produces significant cost savings across timeframes ranging from 15 days before death to 180 days before death. These savings ranged from \$1,932 for those who received hospice for 90 – 180 days to \$7,334 for those who received hospice for 15 – 30 days prior to death.

A larger study of a CMS fee-for-service population of adults over age fifty was conducted by the Icahn School of Medicine at Mount Sinai was published in 2013 and found very similar results. That study found cost savings of \$2,561 for patients enrolled in hospice for 50 – 100 days before death and \$6,430 for patients who received hospice for 15 – 30 days prior to death².

Study Data and Methods

We examined data from the CMS CCLF claims history for a population of CMS ACO members residing in Florida. The data included institutional, professional and pharmaceutical claims for the three-year period between January 2015 and January 2018.

Sample

Within the data, we identified 1,938 members who died during the study's timeframe. Within that cohort, we restricted the study to 1,416 members having at least one year of claims history prior to death. This methodology yielded a final sample of 796 members who received hospice services and 620 members who did not receive hospice services.

Measures

Total Medicare costs were categorized into periods of 1 – 15 days, 15 – 30 days, 30 – 90 days and 90 – 180 days prior to death.

Limitations

Two limitations are worth noting. First, among members who did not enroll in hospice, no attempt was made to isolate those who were hospice eligible versus those who were not. As a result, it is possible for members who suffered sudden death due to conditions that would not necessarily have qualified

¹ Journal of Pain and Symptom Management, March 2007

² "Hospice Enrollment Saves Money For Medicare And Improves Care Quality Across A Number Of Different Lengths-Of-Stay" Health Aff (Millwood). 2013 March



them for hospice benefits to be included in the statistical measures. This would tend to skew the statistical cost measures of the non-hospice cohort lower than they would have been had a hospice eligible restriction been applied. The second limitation is the absence of adjustments for age, gender or other demographic characteristics.

Results

LOS	Non-Hospice	Hospice	Savings
15	\$ 15,612	\$ 9,486	\$ 6,126
30	\$ 21,487	\$ 14,153	\$ 7,334
90	\$ 35,735	\$ 28,933	\$ 6,802
180	\$ 47,196	\$ 45,263	\$ 1,932