Monitor Hospital “Early Discharge” to Hospice Care

Background:

As part of the Balanced Budget Act of 1997, Congress enacted legislation that reduces payments to acute care hospitals when patients are discharged to post-acute care following a shorter than average hospital stay. In 2013, the Office of the Inspector General (OIG) recommended that this policy be extended to short hospital stays from which patients are discharged to hospice care. Under section 53109 of the Bipartisan Budget Act of 2018, Congress enacted a hospital “early discharge to hospice” policy that will go into effect on October 1, 2018.

Issues/Concerns:

While the “early discharge” provision does not reduce payments to hospice providers, there are widespread concerns, including those cited by the Centers for Medicare & Medicaid Services (CMS) as part of its response to the 2013 OIG Report, that this policy may cause hospitals to delay referral to hospice care or discourage referrals to hospice care altogether. Research conducted for CMS following enactment of the post-acute transfer policy found that hospitals altered their behavior in response to the policy, which resulted in patients remaining in the hospital for longer periods prior to discharge to post-acute care and in reduced hospital referrals to post-acute care. According to the Medicare Payment Advisory Commission (MedPAC) the median length of stay on hospice care has remained at 17 or 18 days for many years and 25% of hospice patients die within 5 days of admission to hospice. Any further delay in referral to hospice care for these short-stay patients means that patients and their family members will not receive the full benefit that hospice has to offer.

What Congress Should Do:

Congress and CMS must closely monitor the impact of the hospital “early discharge” to hospice care policy to ensure that hospitals are honoring terminally ill patient’s choice of care location and addressing discharge planning requirements in a timely manner. CMS should closely analyze hospital discharge data to ensure that hospitals are not changing their discharge practices in an effort to maximize Medicare payments. CMS should also fast-track development and public reporting of hospital transitions in care measures that support timely referral to hospice care.