

# Quantifying Hospice's End-of-Life Impact

## THE CHALLENGE: HIGH END-OF-LIFE COSTS

Healthcare providers face numerous challenges in controlling end-of-life spend during patients' last months of life. Patients who aren't in the right care setting are more likely to require hospitalization or visit the emergency room, leading to skyrocketing costs. Additionally, COVID-19 has led to hesitance among some patients to allow in-home caregivers, resulting in more preventable ER visits and inpatient stays that drive up end-of-life spend. With the rise of value-based care, providers are facing more pressure than ever to reduce the total cost of care, in part by ensuring patients are in the right care setting at the right time.

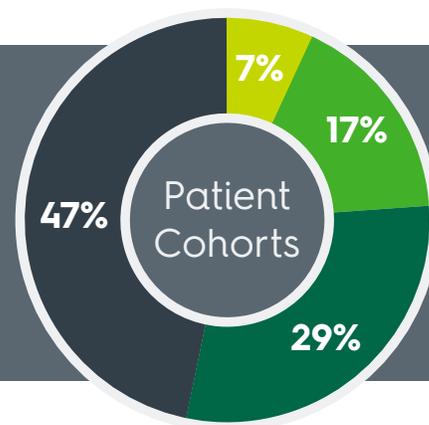
How can healthcare organizations address these issues using data-driven insights to help control end-of-life spend? In a recent study, Trella Health found providers are under-utilizing hospice, missing opportunities to reduce costs while also improving the patient and family experience. Even for patients referred to hospice care, it's often far too late to have a significant impact on decreasing end-of-life spend.

## METHODOLOGY

Trella Health analyzed data from 904,000 patients who passed between July 2018 and June 2019. Taking into account costs across care settings, inpatient and ER utilization, and other metrics, the Trella team focused on the impact and timing of hospice admission on end-of-life healthcare costs.

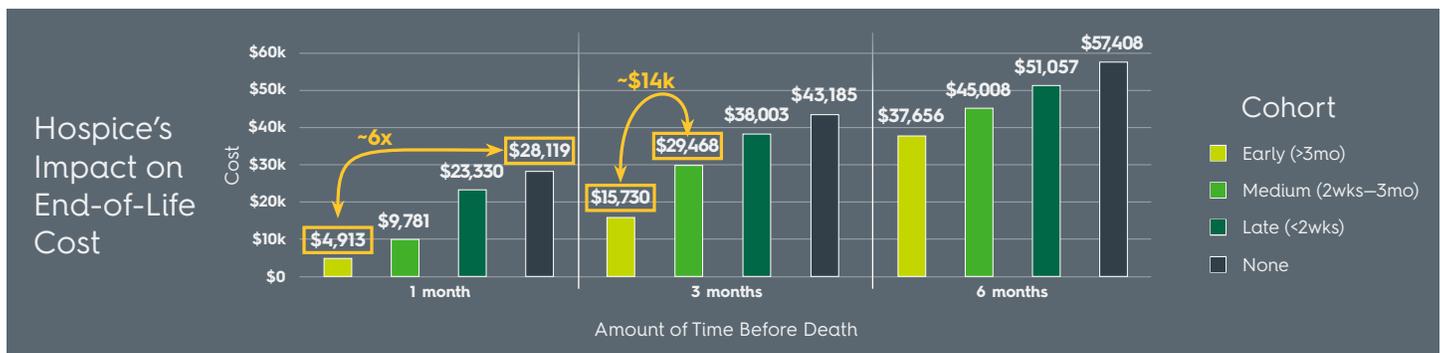
Patients were grouped into four cohorts, based on when or if they received hospice:

- Early hospice admission – three months or more of care
- Medium hospice admission – between two weeks and three months of care
- Late hospice admission – less than two weeks of care
- No hospice care



For purposes of the study, patients were required to have at least one hospitalization within the year prior to passing. This allowed our analysts to create comparable groups and minimize the effect of patients who passed due to causes such as immediate traumatic injury and would not have been eligible for hospice. Cost and utilization metrics were studied for each cohort, both overall and by diagnostic category, based on ICD-10-CM chapters.

## FINDINGS: AVERAGE LENGTH OF STAY AND END-OF-LIFE SPEND



For the patients studied, early hospice referrals were key to decreasing end-of-life spend and keeping patients out of the inpatient and ER settings. Based on Trella's findings, early hospice dramatically reduces the total cost of care. Patients in the early hospice cohort consumed six times less in healthcare costs than patients who did not receive hospice. Other interesting findings included:

- Patients with no hospice were ten times more likely to be admitted to the hospital during the last month of life than patients who received early care.
- Of 120,000 respiratory patients, those admitted to hospice early consumed approximately \$33,000 less in healthcare costs during the last three months of life than those who received no hospice.
- Late hospice patients were five times more likely to visit the emergency room during the last month of life than early hospice patients.



## THE SOLUTION: THE CASE FOR EARLY HOSPICE REFERRAL

Patients in our study who did not receive hospice consumed \$27,455 more in healthcare costs during the last three months of life than those who received early hospice care. Furthermore, length of stay was strongly correlated with end-of-life spend. Patients who were referred to hospice early saved an average of \$14,000 in the last three months of life compared to patients who were admitted for a mid-term stay. Costs for late-term hospice patients were on average \$5,182 less than patients with no hospice care.

With only 7% of hospice-eligible patients referred for early hospice care, there is a significant opportunity for many providers to positively impact patients' end-of-life care. Partnering with the right hospices and referring appropriate patients sooner can reduce end-of-life costs while also improving the patient and family experience.

### About Trella Health

Trella Health provides post-acute business development leaders with the most complete picture of care activity in their service areas so they can explore new opportunities for growth. As one of only a few companies in the country deemed an Innovator under the Centers for Medicare and Medicaid Services' Virtual Research Data Center Program, Trella has access to 100% of Medicare Part A and Part B claims data. Trella analyzes 1.2 billion claims annually and presents relevant insights to nearly 10,000 users so they can build higher-performing care networks, serve more patients, and reduce the cost of care.

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