
Hospice Policy

Problems and Avenues for State Reform

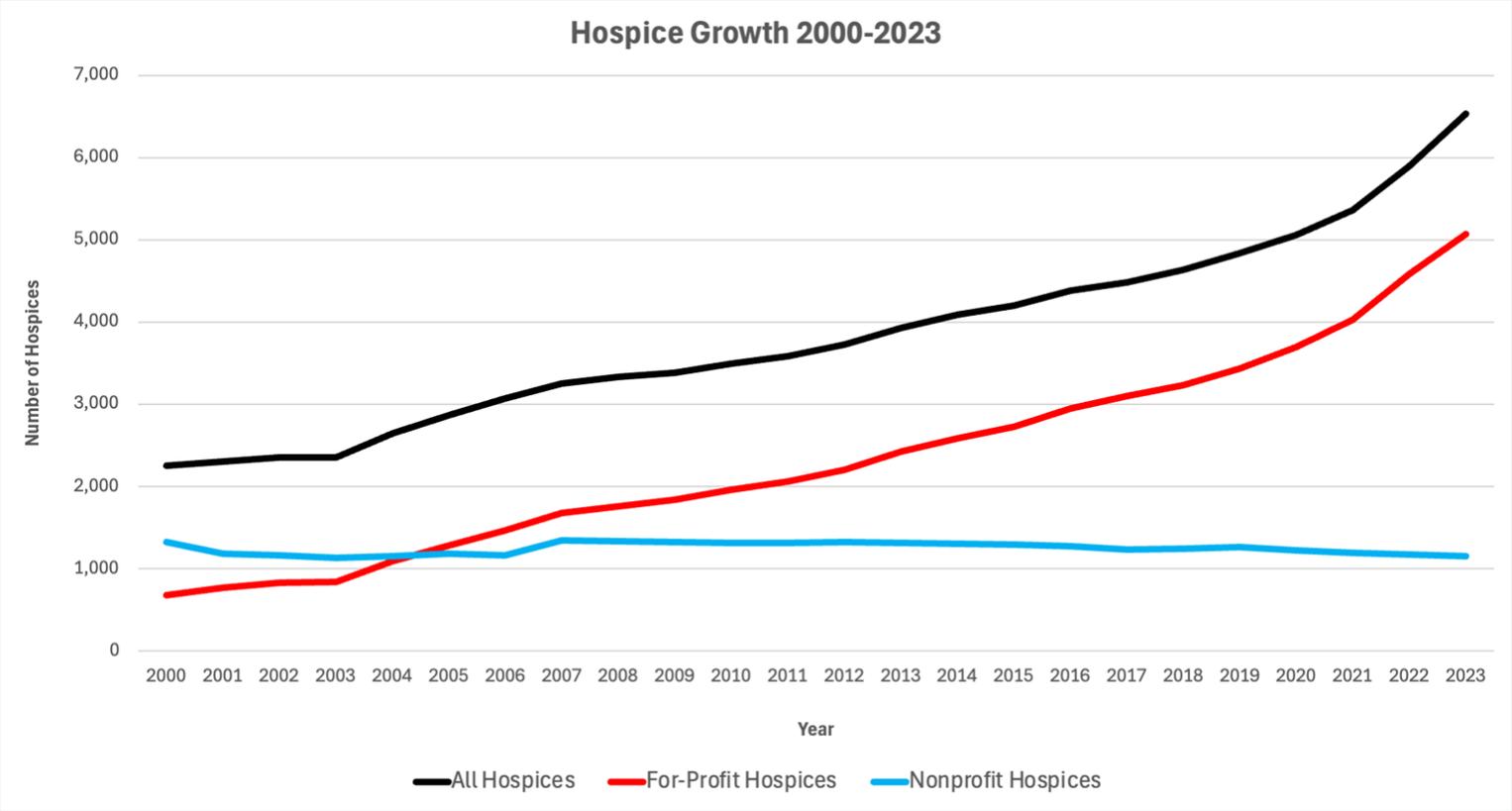
Brandon Novick



Policy Problems



For-Profit Explosion



Source: [Annual MedPAC reports to Congress 2010–2025: “Medicare Payment Policy.”](#)

Note: The graph does not include government-owned hospices which have declined from the 400s in the 2000s to the 100s in recent years.



Per Diem Payment Model

Medicare Hospice Payment Rates Depend on the Category of Care Provided

Category of Care	Description	Daily Payment Rate
Routine home care	Provided on a routine day when a patient is not receiving continuous care	First 60 days: \$230.83 Day 61+: \$181.94
Continuous home care	Provided during brief periods of crisis, consisting predominantly of nursing care to allow the patient to remain at home.	Full Rate: \$1,674.29 (\$69.76 per hour)
Inpatient respite care	Provided in an approved facility on a short-term basis to relieve the caregiver.	\$532.48
General inpatient care	Provided in an inpatient facility for pain control or acute or chronic symptom management that cannot be managed in other settings.	\$1,199.86

Source: CMS response in Federal Register to public comments in final rule: FY 2026 Hospice Wage Index and Payment Rate Update and Hospice Quality Reporting Program Requirements.

Payment is generally made to the hospice agency for each day a patient is under the agency's care, regardless of the amount of services provided on that day.



Worse Quality, Higher Costs

Differences Between For-profit and Non-profit Hospice Agencies in the US Medicare Population

Concise Research Report | Published: 08 July 2021
Volume 37, pages 2582–2583, (2022) [Cite this article](#)

“for-profit ... hospice agencies ... cost Medicare 34% more per beneficiary. Higher total costs of care directly relate to longer lengths of stay in for-profit agencies”

Medicare Hospice Care: Opportunities Exist to Strengthen CMS Oversight of Hospice Providers

GAO-20-10
Published: Oct 18, 2019. Publicly Released: Nov 14, 2019.

Health Affairs Scholar, 2024, 2(12), qxae160
<https://doi.org/10.1093/haschi/qxae160>
Advance access publication: November 28, 2024
Research Article



Market segmentation by profit status: evidence from hospice

David A. Rosenkranz^{1*}, Lindsay White², Chuxuan Sun³, Katherine E.M. Miller⁴, Norma B. Coe²

JAMA Internal Medicine

Home Issues Multimedia

Home | JAMA Internal Medicine | Vol. 183, No. 4

Original Investigation

FREE

Association of Hospice Profit Status With Family Caregivers' Reported Care Experiences

Rebecca Anhang Price, PhD¹; Layla Parast, PhD²; Marc N. Elliott, PhD³; et al.

Journal of Palliative Medicine > Vol. 21, No. 11

Research Article | NO ACCESS | Published Online: 29 October 2018

Complaints About Hospice Care in the United States, 2005–2015

Authors: David Stevenson and Nicholas Sinclair | [AUTHORS INFO & AFFILIATIONS](#)

Publication: Journal of Palliative Medicine • <https://doi.org/10.1089/jpm.2018.0125>

“For-profit agencies were 1.33 and 1.52 times more likely relative to not-for-profits to have a complaint allegation and deficiency”

MILLIMAN CLIENT REPORT

Hospice Medicare Margins

Analysis of Patient and Hospice Characteristics, Utilization, and Cost

July 2019

Carol Bazell, MD, MPH
Melissa Caplen
William Coates
Pamela Pelizzari, MPH
Bruce Pyenson, FSA, MAIA

Commissioned by the National Partnership for Hospice Innovation

“Nonprofit hospices provided patients with 10% more nursing visits, 35% more social worker visits, and 2 times as many therapy visits as for-profit hospices per patient day”

Original Investigation | Health Care Reform

National Hospice Survey Results

For-Profit Status, Community Engagement, and Service

Melissa D. Aldridge, PhD¹; Mark Schlesinger, PhD²; Colleen L. Barry, PhD³ ;

R. Sean Morrison, MD^{1,4}; Ruth McCorkle, PhD²; Rosemary Hürzeler, RN²; Elizabeth H. Bradley, PhD²

“For-profit hospices have been found to provide a narrower range of services to patients and families, to offer less comprehensive bereavement services to families, to have less professionalized staff, and to have lower staff to patient ratios”

“caregivers of patients receiving hospice care reported substantially worse care experiences in for-profit than in not-for-profit hospices”



Gaming the System

PRESS RELEASE

Hospice Companies To Pay \$12.2 Million To Settle Kickback Claims

Tuesday, April 18, 2017

Share >

For Immediate Release

U.S. Attorney's Office, Northern District of Texas

PRESS RELEASE

Kindred and Related Entities Agree to Pay \$19.428M to Settle Federal and State False Claims Act Lawsuits Alleging Ineligible Claims for Hospice Patients

Wednesday, July 17, 2024

For Immediate Release

Office of Public Affairs

“hospice care coordinators”—effectively, marketers—were paid bonuses for admissions in excess of the relevant facility’s target... DOOs [Directors of Operations] were given raises or paid bonuses based on the size of their patient populations.

United States District Judge Aleta A. Trauger

[Memorandum in the case *United States of America et al v. Curo Health Services Holdings* \(2022\).](#)

The focus was on growing the census and referral base ... They were just not looking at who are these people and are they eligible patients we are equipped to care for. It was scheming about how to keep this pipeline going and grow it further.

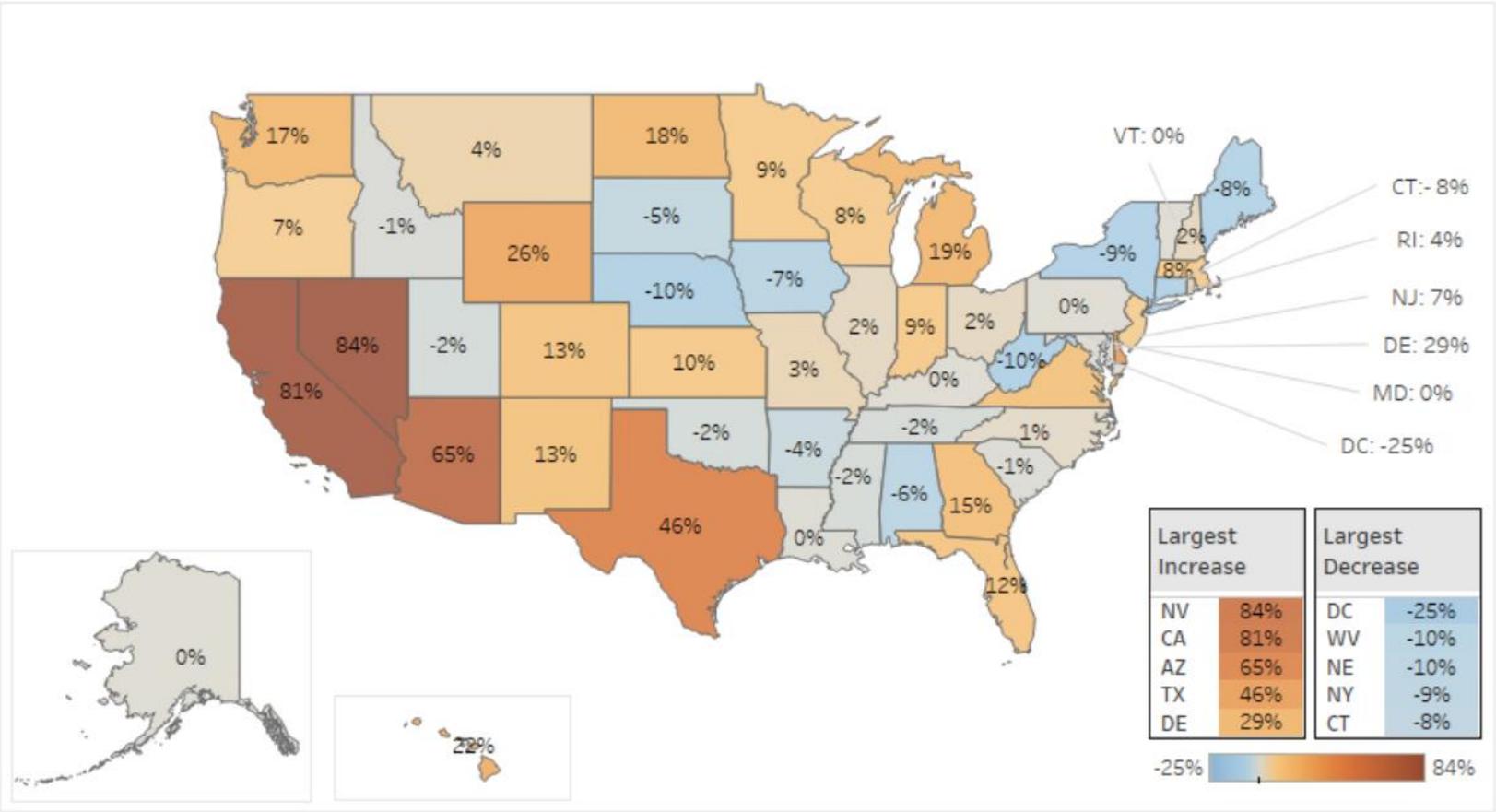
Hospice Nurse Who Worked at Private-Equity-Owned Seasons Hospice

[CEPR interview in full report: “Preying on the Dying: Private Equity Gets Rich in Hospice Care” \(2023\).](#)



State-By-State Hospice Growth

Figure 2. Relative Change in the Number of Hospice Agencies by State, 2018–2022



Source: [Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services \(2025\)](#).



Poor Enforcement

- **Limited Federal Enforcement.**
 - Rare terminations.
 - 27 civil monetary penalty notices from 2021-2025.
 - 4% payment reduction for not submitting quality data.
- **Variable State-By-State.**
 - 2022 California state auditor report:
 - Only 1 license revoked and 0 suspended from 2015-2022.
 - Lack of meaningful monetary penalties for violating hospice standards.

Medicare Hospice Care:

Opportunities Exist to Strengthen CMS Oversight of Hospice Providers

GAO-20-10

Published: Oct 18, 2019. Publicly Released: Nov 14, 2019.

“termination happens rarely. Specifically, 19 hospices were involuntarily terminated from 2014 through 2017. This is less than half of 1 percent of the total number of hospices operating during this time period.”

Report in Brief
July 2019
OEI-02-17-00020

U.S. Department of Health and Human Services

Office of Inspector General

Hospice Deficiencies Pose Risks to Medicare Beneficiaries

W
O
vul

“Over 80 percent of hospices had at least one deficiency; 20 percent had a serious deficiency”

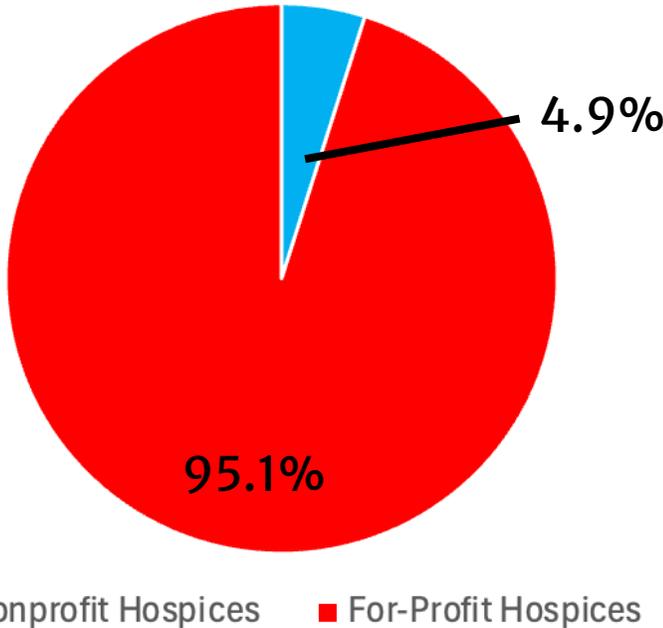


Policy Solutions



California's Predicament

California Hospice Landscape By Ownership



Source: [National Hospice Locator, Hospice Analytics.](#)

“Large-Scale Fraud and Abuse”



Source: [2022 California State Auditor Report: "California Hospice Licensure and Oversight."](#)



California's Approach: Stricter Oversight

- Establish Moratorium.
- Implement Emergency Regulations.
- Prohibit Changes of Ownership Within 5 Years of Licensure.
- Ban Providers from Paying Recruiters for Referrals.
- Conduct Annual Validation Surveys for 5% of Initial Hospice Licenses.
- Expand the Grounds for Denying, Suspending, and Revoking a License.

Senate Bill No. 664

CHAPTER 494

Assembly Bill No. 1280

CHAPTER 478

Assembly Bill No. 2673

CHAPTER 797

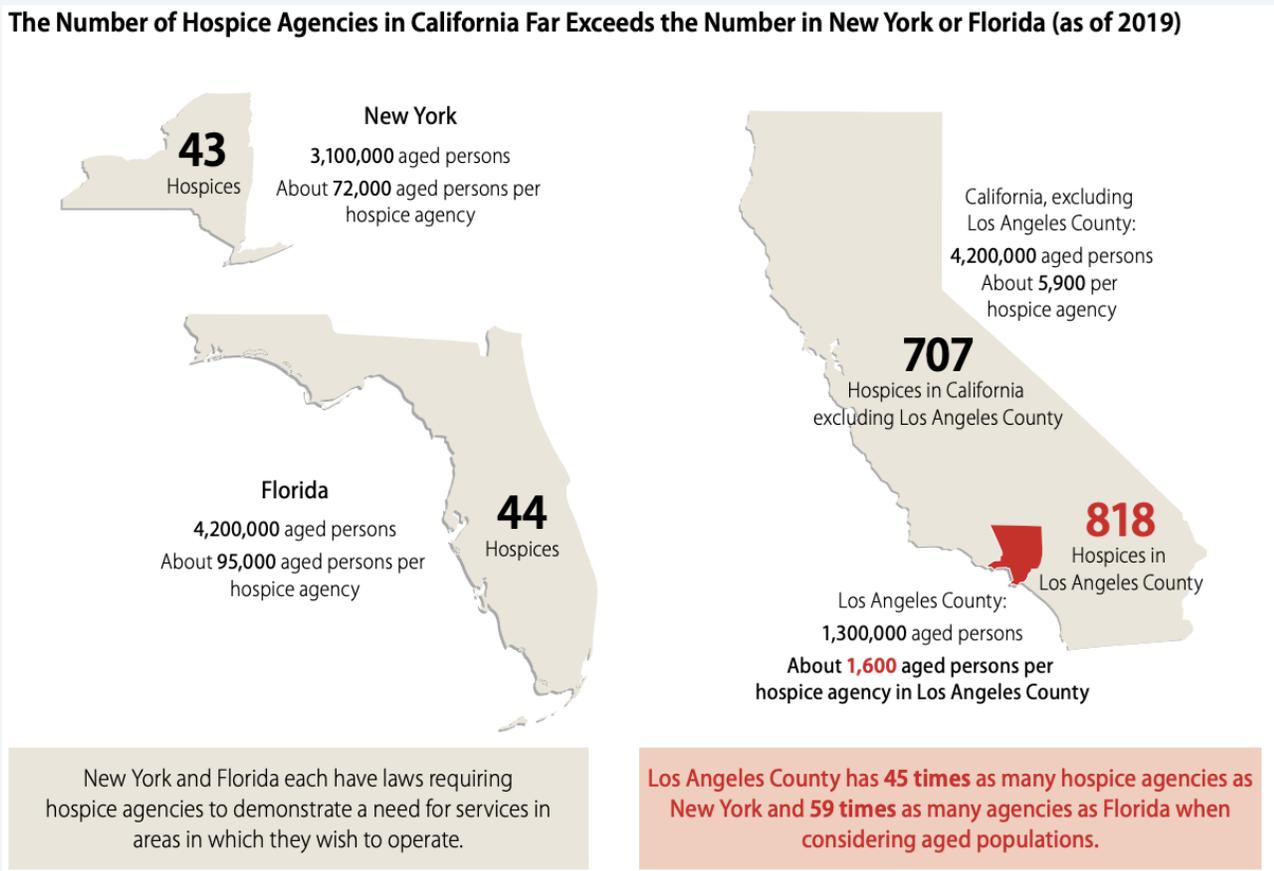


Demonstrating an Unmet Need

States with Hospice Certificate of Need (CON) and Similar Programs



*Louisiana has a Facility Need Review system that is similar to a CON program.



Source: [2022 California State Auditor Report: "California Hospice Licensure and Oversight."](#)

New York's Proposal: Ban New For-Profits

STATE OF NEW YORK

3437

2025-2026 Regular Sessions

IN SENATE

January 27, 2025

Introduced by Sens. KRUEGER, HOYLMAN-SIGAL, MAY, MAYER -- read twice and ordered printed, and when printed to be committed to the Committee on Health

AN ACT to amend the public health law, in relation to the establishment, incorporation, construction, or increase in capacity of for-profit hospice

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subdivision 3 of section 4004 of the public health law is
2 amended by adding a new paragraph (a-1) to read as follows:
3 (a-1) No hospice shall be approved for establishment, incorporation or
4 construction if it is to be operated on a for-profit basis or by a for-
5 profit entity, in whole or in part. No increase in capacity shall be
6 approved for any existing hospice that is operated on a for-profit basis
7 or by a for-profit entity, in whole or in part. This paragraph applies
8 to any approval on or after the date on which it takes effect.
9 § 2. This act shall take effect immediately.

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD02902-01-5

Potential Policy Additions

1. Public Support for Nonprofit Hospice Growth.
1. Exceptions to New For-Profit Ban if There is a Proven Unmet Need.
 - a. Can subject for-profits to additional regulatory scrutiny.

Source: [New York Senate Bill S3437 \(2025\)](#).



Possibility: Ban PE and PTC Ownership

Research Letter

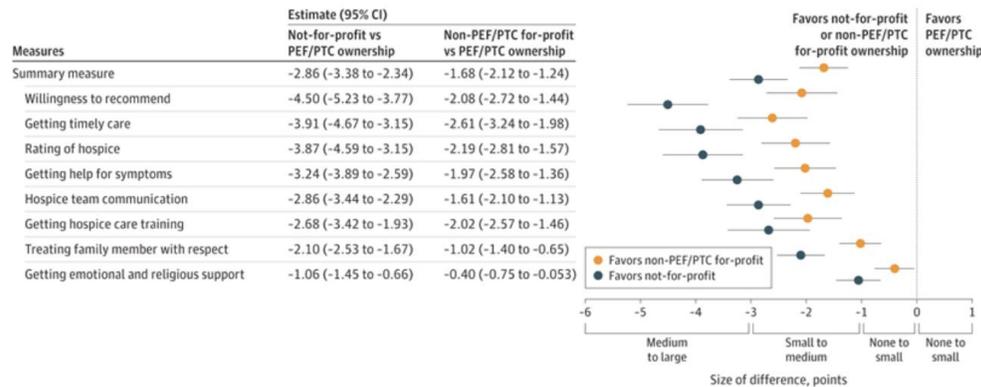
FREE

Caregiver-Reported Quality in Hospices Owned by Private Equity Firms and Publicly Traded Companies

Alexander E. Soltoff, BS^{1,2}; Mark Aaron Unruh, PhD³; David G. Stevenson, PhD^{4,5}; et al

» Author Affiliations | Article Information

Figure. Adjusted Differences in Caregiver-Reported Hospice Quality Between PEF/PTC Hospice Ownership and Other Ownership Categories



“Hospices owned by PEFs or PTCs performed significantly worse across CAHPS measures relative to not-for-profit and non-PEF/PTC for-profit agencies.”

Source: [Soltoff et al. \(2024\)](#).



By Alexander Soltoff, Dunc Williams, and Robert Tyler Braun

DOI: 10.1377/hlthaff.2025.00327
HEALTH AFFAIRS 44,
NO. 10 (2025): 1235-1243
©2025 Project HOPE—
The People-to-People Health
Foundation, Inc.

Private Equity–Owned Hospices Report Highest Profits, Lowest Patient Care Spending Compared With Other Ownership Models

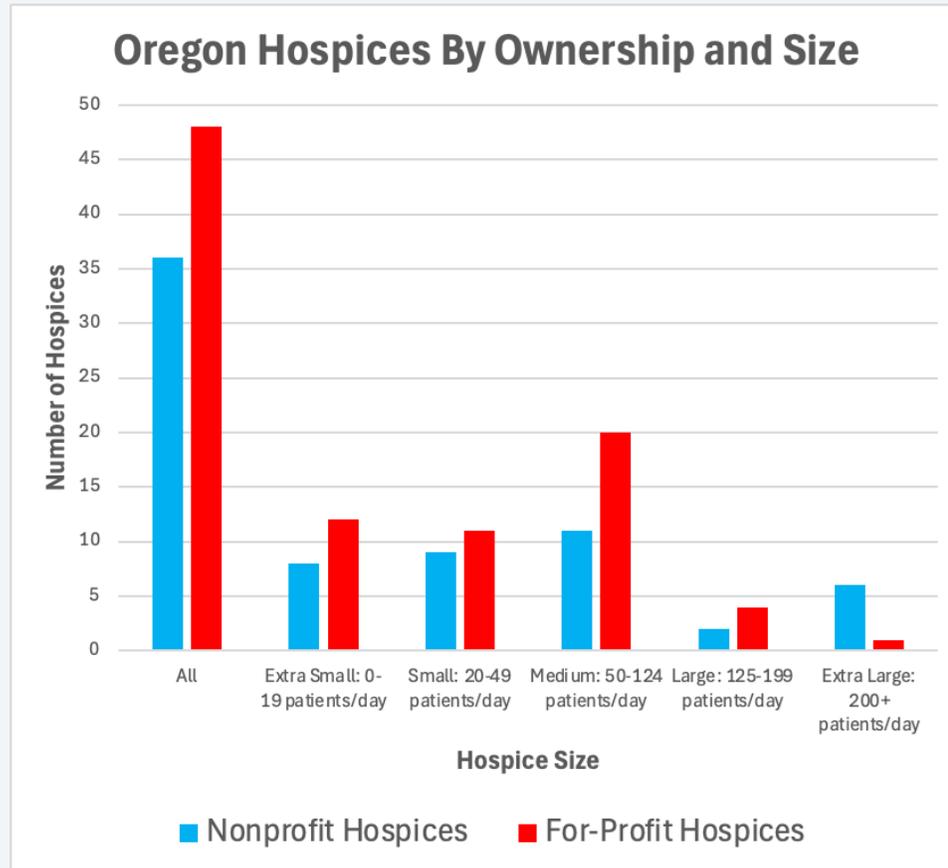
Adjusted mean financial outcomes for US hospices, by ownership model, 2022

Financial outcomes	PE-owned	PTC-owned	Other FP	NFP
REVENUES				
Total revenues ^a (\$ per patient day)	197.5	191.6***	195.5	202.7*
Net patient revenue ^a	172.1	177.2***	175.7***	180.5***
Nursing facility room and board	22.9	14.7***	15.3***	7.4***
Donations and charity	0.0	-0.3*	0.7***	6.9***
Other revenue	2.6	0.0***	3.8	7.9***
EXPENSES				
Total expenses ^a (\$ per patient day)	182.3	188.3**	184.0	199.8***
Direct patient care services ^a	72.7	75.2*	77.0***	91.3***
Nursing salaries ^a	34.4	33.1	35.0	43.3***
Nursing (nonsalary)	2.8	3.9***	3.4***	6.3***
Hospice aide services	9.1	8.5*	10.3***	9.5
Medical social services	4.8	4.7	4.4***	6.9***
Medication (Rx and OTC)	5.6	6.4***	6.4***	7.6***
General services ^a	77.9	82.0**	84.0***	90.3***
Administrative salaries	26.0	23.5***	24.8	24.9
Administrative (nonsalary)	33.3	43.9***	44.6***	46.6***
Nonreimbursable services	31.2	25.9***	21.9***	15.1***
Nursing facility room and board	24.4	17.1***	16.2***	6.9***
Advertising	5.3	8.6***	3.0***	1.6***
PROFITABILITY				
Net income ^a (\$ per patient day)	15.2	3.3***	11.5*	2.9***
Total margin (%)	7.6	1.2***	5.7*	1.5***

Source: [Soltoff, Williams, and Braun \(2025\)](#).



Oregon's Situation



Source: [National Hospice Locator, Hospice Analytics.](#)

- **Standard hospice regulations.**
 - Ex: Federal minimum of at least one in-person site inspection every 3 years.
- **Distinct measures disincentivizing profit-seeking behavior.**
 - Ex: Ban on per-visit payments to hospice nurses.
- **Vulnerable to unnecessary, exploitative hospices.**
 - No CON program or unmet need requirement.
 - Open to hospice ownership by for-profit entities, private equity firms, and publicly-traded companies.



Center for Economic and Policy Research

Fact-based, data-driven research and analysis to advance democratic debate on vital issues shaping people's lives.



Brandon Novick
Policy Coordinator

Thank you.

