

Hospice and Medicare spending

ISSUES:

Hospice is a holistic end-of-life care model that focuses on symptom management and psychosocial supports that gives beneficiaries an alternative to conventional end-of-life care. Hospice proponents often argue that hospice is a valuable service not only because it provides coordinated, patient-centered end-of-life care, but also because it reduces Medicare spending for patients at the end of life. The literature on hospices' effect on overall Medicare spending has been mixed. Some studies have found modest net costs or savings associated with hospice, or savings only for certain subgroups. In contrast, a few studies have found substantial savings from hospice for a wide range of patients.

KEY POINTS:

At the April meeting, we will discuss the findings from a contractor report examining the effect of hospice on Medicare spending. We will also provide further analysis of one finding from the contractor report.

ACTION: Commissioners should review these issues.

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