



In the Literature

Highlights from Commonwealth Fund-Supported Studies in Professional Journals

A New Medicare End-of-Life Benefit for Nursing Home Residents

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Synopsis

A new Medicare benefit is needed to support end-of-life care for those spending their final days in a nursing home, say the authors of this article. Arguing that the current hospice benefit is a poor fit with the nursing home setting, the authors recommend a new benefit that would enable nursing home residents to receive individualized palliative and psychosocial services in addition to rehabilitative services.

“[The proposed Medicare benefit would] allow nursing homes greater flexibility and resources to provide high-quality services to all residents and to allow for better integration of supportive and palliative care as residents approach the end of life.”

The Issue

Many elderly people spend their last days in nursing homes, making high-quality end-of-life care essential. Often, such care is financed by the Medicare hospice benefit, which was introduced in 1983 as an alternative to curative care at the end of life to reduce costs and improve the experience of dying. But the benefit’s one-size-fits-all approach to defining eligibility, coverage, and reimbursement is a poor fit with nursing home patients, say the authors of a new Commonwealth Fund-supported study. The authors examine the current approach and offer a vision of a new benefit that would allow nursing homes greater flexibility and resources to provide high-quality care to all residents.

Medicare’s Current Approach to End-of-Life Care

The Medicare hospice benefit requires that enrollees be certified by two physicians to have a prognosis of six months or less to live. Enrollees also must agree to forgo curative treatment for their terminal conditions. Medicare then pays a hospice agency an all-inclusive per-diem rate for care related to the terminal illness (approximately \$143 per day in 2010 for most stays). But for several reasons, say the authors, this structure does not mesh well with the needs of nursing home residents: 1) residents may have

multiple serious chronic conditions that make it difficult to pinpoint a single condition as the terminal illness and, therefore, to separate treatment for that condition from treatment for other conditions; 2) advanced, interrelated chronic conditions can make a concrete estimate of death difficult; 3) the hospice per-diem payment fails to account for efficiencies gained through joint management of care by the hospice and nursing home; and 4) the current payment approach makes long hospice stays more profitable and may create perverse incentives.

What Should a Medicare Nursing Home End-of-Life Benefit Look Like?

The authors recommend creating a separate Medicare end-of-life benefit tailored to the needs of nursing home residents. Under the new benefit:

- All nursing home residents who meet the requirement for end-of-life care would be eligible to receive covered palliative and psychosocial services in addition to rehabilitative services.
 - Beneficiaries would no longer need to forgo curative care, nor would they need a six-month life expectancy prognosis.
 - Payment for end-of-life care would be folded into the existing nursing home payment. Nursing homes could either contract with a hospice agency or provide services directly. The authors recommend a bundled payment that includes postacute, long-term, and end-of-life care.
 - New quality measures would be developed to ensure nursing home residents receive care appropriate for their clinical conditions. These would include measures relevant to end-of-life care, like the patient's and family's spiritual and psychological well-being, as well as measures more specific to the nursing home setting, such as care delivery and coordination of care from multiple providers. Nursing homes would be held accountable for the quality of care provided.
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Potential Drawbacks

By establishing an automatic trigger for eligibility and removing the requirement that beneficiaries forgo curative care, more individuals would qualify for the benefit, likely raising overall spending.

The Bottom Line

The authors recommend a new Medicare end-of-life care benefit tailored to the needs of nursing home residents. The revised benefit should improve quality of care at the end of life by allowing nursing homes greater flexibility and resources to better integrate supportive and palliative care services.

Citation

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