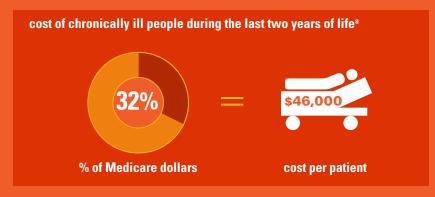
THE VALUE CASE FOR ADVANCED ILLNESS MANAGEMENT

As providers take on population-based risks, they are looking to reduce costs across the continuum of care. What has been a mission-based priority—ensuring the very ill and dying receive care that correlates with their wishes—has become a financial imperative as well.

AN OPPORTUNITY FOR IMPROVEMENT

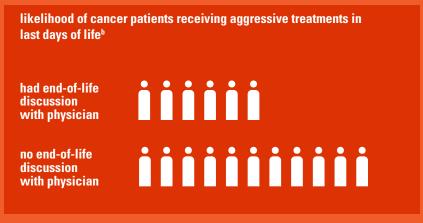
A COSTLY POPULATION

The final years of life account for the greatest healthcare expenditures.



EARLY TALKS ENSURE PATIENTS' WISHES

Many patients with chronic, life-threatening conditions receive more aggressive and expensive care than they want.



- a Goodman, D.C., et al, *Trends and Variation in End-of-Life Care for Medicare Beneficiaries with Severe Chronic Illness*, The Dartmouth Institute for Health Policy & Clinical Practice, April 12, 2011.
- b Mack, J.W., et al, "Associations Between End-of-Life Discussion Characteristics and Care Received Near Death: A Prospective Cohort Study," *Journal of Clinical Oncology*, December 10, 2012, vol. 30, no. 35, pp. 4387-4395. Patients with advanced lung and colon cancer who had end-of-life discussions with a physician sooner than a month before dying were 50-60 percent less likely to receive aggressive, expensive treatments during their last days of life (e.g., chemotherapy in last 14 days, ICU stay in last 30 days).

Glossary

Palliative Care is specialized medical care for people with all types of serious illnesses. In addition to providing pain and symptom relief, palliative care can also include curative treatments.

Currently, palliative care is only partially reimbursed through fee-for-service billing for physician and advance practice nurse services.^f

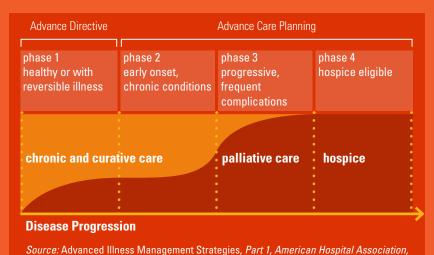
Hospice Care focuses solely on caring, not curing. Hospice provides expert medical care, pain management, and emotional and spiritual support expressly tailored to the patient's needs and wishes.

A NEW PARADIGM

To encourage coordinated care planning, the American Hospital Association recently endorsed a phased approach to end-of-life care that can start months, years, or even decades before a patient's illness becomes terminal.°

ADVANCED ILLNESS MANAGEMENT

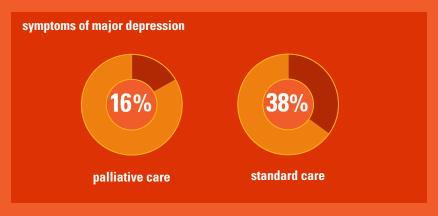
Advanced illness management helps patients transition from chronic to advanced illness and prepare for end-of-life care. This approach encourages the coordination of care across different settings (e.g., hospital, home, physician's office).



MISSION = MARGIN

IMPROVED QUALITY OF LIFE

Fewer seriously ill patients in palliative care developed symptoms of major depression than a control group of patients who received standard care (16% versus 38%).^d



LOWER COSTS

On average, patients who received palliative care incurred \$6,900 less in hospital costs during a given admission than a matched group of patients who received usual care.



- c Advanced Illness Management Strategies, Part 1, American Hospital Association, August 2012.
- d Temel, J.S., et al, "Early Palliative Care for Patients with Metastatic Non-Small-Cell Lung Cancer," NEJM, 2010, vol. 363, no. 8, pp. 733-742.

August 2012. Reprinted with permission.

e Morrison, R.S., et al, "Palliative Care Consultation Teams Cut Hospital Costs for Medicaid Beneficiaries," *Health Affairs*, 2011, vol. 30, no. 3, pp. 1-9.

Hospice care during the last six months of life is covered by Medicare (*National Hospice Association Facts and Figures*).

Advanced Illness Management

encompasses four phases as a patient's health declines, from basic good health and chronic care management through palliative care and hospice care. The Coalition to Transform Advanced Care defines advanced illness as "occurring when one or more conditions becomes serious enough that general health and functioning decline, and treatments begin to lose their impact."

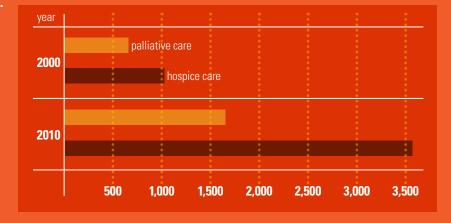
INCREASED CAPACITY ≠ END GOAL

A lot of progress has been made in the last decade to expand access to palliative and hospice care.

GROWTH IN END-OF-LIFE CARE

Palliative care: The number of hospitals with palliative programs grew by more than 100% in the last 10 years.^f

Hospice care: The number of hospice providers increased by 53% between 2000 and 2010.^{9, h}



A BROKEN CONTINUUM

Numerous obstacles—a lack of awareness among patients, the need for education among healthcare professionals, payment issues, regulatory snafus, and communication and IT challenges—still hinder the coordination of care for patients with serious, advanced illnesses.

Fred does not see his physician after being hospitalized with COPD. Without intensive care management, Fred's disease progresses rapidly and he is hospitalized four times in one year.

Fred receives excellent palliative care when in the hospital but there is no corresponding outpatient program. So after he goes home, Fred is back on his own with his COPD.

Despite his advanced COPD, Fred cannot get Medicare hospice coverage because he may live longer than six months. At the end of his funds, Fred ends up in a nursing home on Medicaid, despite his preference for dying in his home.

Diagnosis
of Chronic
Disease

Referral to Palliative Care

disease advances Referral to Hospice Care

i

Sarah still wants to try curative treatments for her advanced kidney disease so her physician does not refer her to palliative care, believing she can only get comfort care through the program.

•

Sarah's advance directive was not shared with all her caregivers. When she has to be transported to the hospital, the EMT is not aware that Sarah prefers not to have any liferesuscitating procedures.

PROMISING APPROACHES

Gunderson Health System led a communitywide effort (Respecting Choices) to get residents to write advance directives and is piloting an outpatient palliative care program.^{j,k} LaCrosse, WI

Mercy Medical Center has adopted a collaborative tool that communicates a patient's end-of-life wishes to EMTs and healthcare providers. Specific medical orders, signed by a physician, travel with the patient. Cedar Rapids, IA

Sutter Health's integrated program is successfully closing care gaps. The average savings per patient is about \$2,000 per month.^m Fairfield, CA

Fletcher Allen Health Care's Rural
Palliative Care Network provides telephone and telemedicine consults on
palliative care to physicians and patients
in rural areas.^c Burlington, VT

St. John Providence Health System used a train-the-trainer model to teach more than 150 staff members to champion palliative care.ⁿ **Detroit, MI**

Using a screening tool, Inova Health System is able to identify patients who would benefit from palliative care early on, resulting in a 30-day readmissions rate among these patients of just 5%-8%.° Falls Church, VA

- f Palliative Care Services: Solutions for Better Patient Care and Today's Health Care Delivery Challenges, American Hospital Association,
- g Medicare Payment Advisory Commission, Hospice Services. Chapter 11 in: Report to the Congress: Medicare Payment Policy, Washington, D.C.: 2009.
- h Despite the growth in hospice, more than half of patients who are eligible and appropriate for hospice care die without receiving it, according to:

 Bradley, E.H., et al, "Referral of Terminally III Patients for Hospice: Frequency and Correlates," *Journal of Palliative Care*, 2000, vol. 16, no. 4,
- i According to the 2011 Public Opinion Research on Palliative Care from the Center to Advance Palliative Care, 70 percent of consumers surveyed have no knowledge of what palliative care is. In addition, the physicians surveyed equated palliative care with hospice care and only admit patients to palliative care for end-of-life comfort care.
- j Advanced Illness Management Strategies, Part 2, American Hospital Association, December 2012.
- k Cantlupe, J. "Hospitals Opting for Palliative Care," HealthLeaders Media, August 6, 2012.
- I c, pg.17. The tool Mercy has adopted is from the lowa Physician Orders for Sustaining Treatment program that is modeled on the national Physician Orders for Life-Sustaining Treatment Paradigm program (www.polst.org).
- m Meyer, H., "Changing the Conversation in California About Care Near the End of Life," Health Affairs, 2011, vol. 30, no. 3, pp. 390-393.
- n "St. John Providence, St. Mary's Cited for Innovation in Palliative Care." Catholic Health World, August 15, 20
- o As reported in f, pp. 7. The report includes Inova's screening tool as an appendix.