Healthcare Market Resources

*Growing Bottom Lines with Information*

# How to Use Hospice Public Use Files to Understand Your Market, Competition and Relative Performance

## Purpose

This whitepaper provides an overview of the data available through The Hospice Utilization and Payment Public Use File (Hospice PUF) and explains how that data may be utilized as part of a strategic marketing analysis for your local market.

One primary use of the Hospice PUF is to understand national, state and local norms. Benchmarking against local competitors is critical, because key metrics vary by local market. For example, hospice utilization varies geographically. Also, metrics change based on the maturity of the market with regard to hospice utilization and how the healthcare delivery system is organized. Acceptance of hospice is different at an academic medical center which has competing objectives than at a non-urban community hospital, which has limited access to the full breath of services versus a critical access hospital who is struggling for its existence.

Another use of the Hospice PUF is to enable comparison to specific competitors can help in positioning your hospice with referral sources. You can calculate market norms by combining results of competitors and then calculating averages and weighted averages.

## Background

The Hospice PUF provides information on services provided to Medicare beneficiaries by hospice providers. The Hospice PUF contains information on utilization, payment, submitted charges, primary diagnoses, sites of service, and hospice beneficiary demographics organized by CMS Certification Number and state. This PUF is based on information from CMS's Chronic Conditions Data Warehouse (CCW) data files. The data in the Hospice PUF covers the calendar year and contains 100% final-action (i.e., all claim adjustments have been resolved) hospice claims for the Medicare population including beneficiaries enrolled in a Medicare Advantage plan.

- An introduction to the Hospice Public Use Files can be found here
- The complete methodology for the calculations can be found here.

### Organization

For ease of discussion, we have segmented the PUF into the following sections:

1. Financial data
2. Services data
3. Length of stay data
4. Hospice Quality data

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5. Demographics data
6. Medicare beneficiary data
7. Hospice beneficiaries by diagnoses data
8. Site of service data

Each section will identify the data available, provide a representative chart and then provide ideas for how the data may be utilized.

## 1. Financial Data

The first several columns of data provide summary or overview data for each hospice provider:

- Hospice beneficiaries
- Total days
- Total Medicare payment amount,
- Total Medicare standard payment amount
- Total charge amount

| Provider ID | Name | Street Address | City | State | ZIP Code | HRR | Hospice beneficiaries | Total Days | Total Medicare Payment Amount | Total Medicare Standard Payment Amount | Total Charge Amount |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 11500 | BAPTIST HOSPICE | 301 INTERSTATE PARK | MONTGOMERY | AL | 36109 | AL - Montgomery | 368 | 19,911 | 2,753,241 | 3,187,835 | 7,392,000 |
| 11501 | NEW BEACON OF BIRMINGHAM | 4735 NORREL DRIVE, SUITE 129 | TRUSSVILLE | AL | 35173 | AL - Birmingham | 369 | 30,655 | 4,395,304 | 4,859,531 | 6,265,786 |
| 11502 | MERCY HOSPICE | 374 GREENO ROAD | FAIRHOPE | AL | 36532 | AL - Mobile | 316 | 17,859 | 2,531,703 | 2,959,259 | 3,755,159 |
| 11503 | SAAD HEALTHCARE | 1515 UNIVERSITY BOULEVARD, SC | MOBILE | AL | 36609 | AL - Mobile | 319 | 29,413 | 4,006,432 | 4,643,097 | 6,323,294 |
| 11504 | GADSDEN REGIONAL HOSPICE | 82 INDUSTRIAL BOULEVARD | ATTALLA | AL | 35954 | AL - Birmingham | 57 | 2,733 | 377,001 | 436,414 | 568,276 |
| 11505 | HOSPICE FAMILY CARE | 3304 WESTMILL DRIVE SOUTHWE | HUNTSVILLE | AL | 35805 | AL - Huntsville | 343 | 21,717 | 3,064,355 | 3,351,937 | 4,566,409 |

These data points are useful in understanding relative market share. Knowing market share enables users to better target their marketing and set realistic growth goals. However, since competitors can cover different geographies, the usefulness of this comparison is limited.

For example, days are probably the best volume metric by which to measure the size of a hospice. Another way to assess hospice size is to divide the total number of days by 365 to calculate the average daily census

***Revenue per beneficiary*** can also be calculated and this is a key metric of patient profitability. To calculate revenue per beneficiary, divide the Total Medicare Payment Amount by the Hospice Beneficiaries. Since multiple admissions to hospice is uncommon, a per beneficiary calculation should be very close to a per discharge figure.

***Days per beneficiary*** are also a compelling indicator of profitability that reflects whether a hospice is able to spread upfront costs over a larger revenue base. To calculate days per beneficiary, divide the Total Days by the Hospice Beneficiaries. Or Average Length of Stay.

## 2. Services Data

The next set of data columns involve the level of services performed for the hospice patient.

- Percent Routine Home Care Days
- Physician Services
- Home Health Visit Hours per Day
- Skilled Nursing Visit Hours per Day
- Social Service Visit Hours per Day
- Total Live Discharges

| Provider ID | Name | Percent Routine Home Care Days | Physician Services | Home Health Visit Hours per Day | Skilled Nursing Visit Hours per Day | Social Service Visit Hours per Day | Total Live Discharges |
|---|---|---|---|---|---|---|---|
| 11500 | BAPTIST HOSPICE | 99% | 93 | 0.341 | 0.273 | 0.036 | 48 |
| 11501 | NEW BEACON OF BIRMINGHAM | 99% | 58 | 0.258 | 0.315 | 0.049 | 69 |
| 11502 | MERCY HOSPICE | 97% | 62 | 0.313 | 0.233 | 0.011 | 43 |
| 11503 | SAAD HEALTHCARE | 99% | 0 | 0.638 | 0.167 | 0.024 | 69 |
| 11504 | GADSDEN REGIONAL HOSPICE | 98% | 0 | 0.176 | 0.327 | 0.067 | |
| 11505 | HOSPICE FAMILY CARE | 100% | 0 | 0.199 | 0.188 | 0.029 | 35 |

***Percent Routine Home Care Days*** shows the extent that a hospice utilizes the other required levels of care under the Conditions of Participation. Medicare requires these various levels of care because patient and family needs during the progression of the illness. Comparing the % of routine home care between competitors may show their willingness to provide these more expensive levels of higher care. Our research indicates that many hospices fail to provide one, two or three of these different levels of care. To make a fair comparison, it would be valuable to know the utilization of each hospice by care level.

***Physician Services*** shows the level of involvement of the hospice's medical directors in patient care. The presence of an inpatient facility or the use of medical directors to manage patient care, instead of referring MD's could significantly increase the relative use of these services.

***Visit Hours per Day*** can be used to quickly compare their level of one-on-one care to competitors and to market norms.

***Live Discharges*** are a two-edged sword. Sometimes, with good hospice care, a patient's situation can stabilize and the need for hospice, at that moment, may cease. Also, a live discharge can occur, if a patient moves out of the hospice's service area, usually to be closer to family, in their last days. However, this is unfortunately not the case in most instances. The level of live discharges, in most cases, represents a service failure or poor care practices. A patient can revoke hospice often because they want to return to curative care, sometimes because of an acerbation of their condition prompting them to be admitted to the hospital. Family dynamics can play a role in this happening as well. In rare cases, a high level of live discharges can be the result of the patient using up their "cap" days and the hospice throwing the patient back into the community. This unethical behavior has tarnished the reputation of the industry. In general, the lower the level of live discharges, the better the job the hospice is doing in fulfilling their mission.

## 3. Length of Stay Data

The next set of data columns focuses on how long patients avail themselves of hospice services with service breakdowns the week prior to death:

- Hospice beneficiaries with 7 or fewer hospice care days
- Hospice beneficiaries with more than 60 hospice care days
- Hospice beneficiaries with more than 180 hospice care days
- Home Health Visit Hours per Day (week prior to death)
- Skilled Nursing Visit Hours per Day (week prior to death)
- Social Service Visit Hours per Day (week prior to death)

| Provider ID | Name | Hospice beneficiaries with 7 or fewer hospice care days | Hospice beneficiaries with more than 60 hospice care days | Hospice beneficiaries with more than 180 hospice care days | Home Health Visit Hours per Day During Week Prior to Death | Skilled Nursing Visit Hours per Day During Week Prior to Death | Social Service Visit Hours per Day During Week Prior to Death |
|---|---|---|---|---|---|---|---|
| 11500 | BAPTIST HOSPICE | 108 | 98 | 35 | 0.105 | 0.385 | 0.057 |
| 11501 | NEW BEACON OF BIRMINGHAM | 83 | 143 | 61 | 0.109 | 0.322 | 0.068 |
| 11502 | MERCY HOSPICE | 131 | 78 | 35 | 0.097 | 0.334 | 0.012 |
| 11503 | SAAD HEALTHCARE | 70 | 134 | 59 | 0.290 | 0.362 | 0.036 |
| 11504 | GADSDEN REGIONAL HOSPICE | 18 | 13 | | 0.067 | 0.296 | 0.073 |
| 11505 | HOSPICE FAMILY CARE | 73 | 108 | 37 | 0.113 | 0.242 | 0.051 |

The industry has been plagued by admissions when the patient, family and/or physician have come to the realization that there is little that can be done to forestall expiration. Hospices are forced to expend a tremendous amount of resources in a very short time, without the patient or family being able to receive the full benefits of hospice. These patients are highly unprofitable and a high level of these discharges represents a failure of the hospice, singularly or collectively, to educate consumers and/or referral sources as to the value of hospice. Attitudes regarding dying may have deep cultural roots and therefore, making them difficult to change.

Under the new reimbursement system, patients who use hospice care for more than 60 days are paid at a lower daily rate after the 60th day than up to that point. Knowing this mix will tell one about the financial sustainability of the organization. Lastly, the percentage of long stay patients, those over 180 days, has become a PEPPER metric which indicates questionable behavior if deemed to be beyond the 80th percentile for the hospice' state.

## 4. Demographics Data

The next set of data columns focuses on the hospice beneficiary demographic data and provides details regarding patients by age, race and gender.

- Average Age
- Number of male hospice beneficiaries
- Number of female hospice beneficiaries
- Number of white hospice beneficiaries
- Number of black hospice beneficiaries
- Number of Asian hospice beneficiaries
- Number of Hispanic hospice beneficiaries
- Number of Other/unknown race hospice beneficiaries

| Provider ID | Name | Average Age | Male hospice beneficiaries | Female hospice beneficiaries | White hospice beneficiaries | Black hospice beneficiaries | Asian hospice beneficiaries | Hispanic hospice beneficiaries | Other/unknown race hospice beneficiaries |
|---|---|---|---|---|---|---|---|---|---|
| 11500 | BAPTIST HOSPICE | 78.0 | 165 | 203 | 254 | 112 | | 0 | |
| 11501 | NEW BEACON OF BIRMINGHAM | 81.9 | 141 | 228 | 288 | 81 | 0 | 0 | 0 |
| 11502 | MERCY HOSPICE | 79.3 | 121 | 195 | 253 | 60 | 0 | | |
| 11503 | SAAD HEALTHCARE | 79.8 | 121 | 198 | 194 | 122 | 0 | | |
| 11504 | GADSDEN REGIONAL HOSPICE | 75.2 | 22 | 35 | 53 | | 0 | 0 | |
| 11505 | HOSPICE FAMILY CARE | 79.9 | 150 | 193 | 309 | 31 | 0 | | |

These data points can be compared with census data to help identify underserved populations. All demographic information is self-reported by the hospice, and provider accuracy is not reviewed by the Regional Home Health Intermediaries. It may be helpful to obtain census information or state mortality data on the geography served and to compare the racial mix in the demographic data to that in the report with a view of identifying under-served populations.

## 5. Medicare Beneficiary Data

The next two data columns provide:

- Medicare Advantage Hospice Beneficiaries
- Medicare Eligible Hospice Beneficiaries

| Provider ID | Name | Medicare Advantage hospice beneficiaries | Medicaid Eligible hospice beneficiaries |
|---|---|---|---|
| 11500 | BAPTIST HOSPICE | 118 | 55 |
| 11501 | NEW BEACON OF BIRMINGHAM | 155 | 59 |
| 11502 | MERCY HOSPICE | 116 | 36 |
| 11503 | SAAD HEALTHCARE | 188 | 30 |
| 11504 | GADSDEN REGIONAL HOSPICE | 18 | |
| 11505 | HOSPICE FAMILY CARE | 43 | 26 |

These data points show the payor source of the patients entering a given hospice. By comparing the Medicare Advantage enrollment percentage for the hospice's geography to the percent Medicare Advantage hospice beneficiaries represent of the total, one can see if the MCO population is under-served from a hospice perspective and if there is an opportunity to work with these organizations to serve the members with advanced illnesses.

## 6. Hospice Beneficiaries by Diagnosis Data

The next set of data columns indicate the primary diagnosis group on the final claim for all patients who died on hospice.

- Hospice beneficiaries with a primary diagnosis of cancer
- Hospice beneficiaries with a primary diagnosis of dementia
- Hospice beneficiaries with a primary diagnosis of stroke
- Hospice beneficiaries with a primary diagnosis of circulatory/heart disease
- Hospice beneficiaries with a primary diagnosis of respiratory disease
- Hospice beneficiaries with other primary diagnoses

| Provider ID | Name | Hospice beneficiaries with a primary diagnosis of cancer | Hospice beneficiaries with a primary diagnosis of dementia | Hospice beneficiaries with a primary diagnosis of stroke | Hospice beneficiaries with a primary diagnosis of circulatory/heart disease | Hospice beneficiaries with a primary diagnosis of respiratory disease | Hospice beneficiaries with other primary diagnoses |
|---|---|---|---|---|---|---|---|
| 11500 | BAPTIST HOSPICE | 129 | 62 | 23 | 57 | 52 | 45 |
| 11501 | NEW BEACON OF BIRMINGHAM | 93 | 98 | 30 | 80 | 40 | 28 |
| 11502 | MERCY HOSPICE | 93 | 63 | 46 | 32 | 48 | 34 |
| 11503 | SAAD HEALTHCARE | 65 | 83 | 42 | 68 | 47 | 14 |
| 11504 | GADSDEN REGIONAL HOSPICE | 26 | | | 12 | 11 | |
| 11505 | HOSPICE FAMILY CARE | 134 | 54 | 11 | 45 | 40 | 59 |

By comparing deaths at the county level for those individuals age 65 or older with the total deaths by disease grouping from this report, hospices can approximate the relative market penetration by disease type and identify potential patients who could benefit from access to hospice care. Hospices can also identify physician types who may benefit from learning more about hospice care. Also, relative market share amongst providers may reflect referral sources for particular competitors, i.e., a high percentage of Alzheimer's/Dementia patients may indicate referrals from a skilled nursing facility. It may also indicate what physician groups they are targeting.

## 7. Site of Service Data

The final set of data columns provides the site of service for the hospice care.

- Site-of-service - Home hospice beneficiaries
- Site-of-service - Assisted Living Facility hospice beneficiaries
- Site-of-service - Long-term-care or non-skilled Nursing Facility hospice beneficiaries
- Site-of-service - Skilled Nursing Facility hospice beneficiaries
- Site-of-service - Inpatient Hospital hospice beneficiaries
- Site-of-service - Inpatient Hospice Facility hospice beneficiaries
- Site-of-service - Other Facility hospice beneficiaries

| Provider ID | Name | Site-of-service: Home hospice beneficiaries | Site-of-service: Assisted Living Facility hospice beneficiaries | Site-of-service: Long-term-care or non-skilled Nursing Facility hospice beneficiaries | Site-of-service: Skilled Nursing Facility hospice beneficiaries | Site-of-service: Inpatient Hospital hospice beneficiaries | Site-of-service: Inpatient Hospice hospice beneficiaries | Site-of-service: Other Facility hospice beneficiaries |
|---|---|---|---|---|---|---|---|---|
| 11500 | BAPTIST HOSPICE | 267 | | | 34 | 63 | 0 | 0 |
| 11501 | NEW BEACON OF BIRMINGHAM | 208 | 13 | 90 | | 46 | | |
| 11502 | MERCY HOSPICE | 185 | | 11 | 16 | 100 | 0 | |
| 11503 | SAAD HEALTHCARE | 261 | | | | 40 | 0 | 0 |
| 11504 | GADSDEN REGIONAL HOSPICE | 45 | 0 | 0 | | | | 0 |
| 11505 | HOSPICE FAMILY CARE | 341 | 0 | 0 | 0 | | 0 | |

This data enumerates the number of days billed, based on the patient's setting — Home, Assisted Living, Skilled Nursing Facility (SNF), Hospital and Hospice Residence. Hospices can determine market share within each segment to assess market threats by comparing their days to the total of all the hospices in their market. Also, strong representation within a particular site of service location may indicate where the hospice is focusing their marketing efforts.

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## Benchmarking

Make a copy of the hospice public use files and convert them to pivot tables and then summarize by state. Compare your results to your unweighted state average to see how your hospice compares. Then look for other states with similar levels of utilization and compare to their metrics. Our research indicates that key hospice measurements change as utilization increases. A chart of hospice utilization by state can be downloaded from our website.

## Conclusion

The Hospice PUF is an excellent first step in availing your organization of market data that can impact sales, marketing and operations activities. To enhance your analysis and strategic planning, consider purchasing hospice market data. The benefits include:

- More recent data – less than a 6 month lag with quarterly updates available.
- Geographic market share - viewed overall and by segment since competitors may have different service areas.
- Additional critical metrics which could be useful in determining strategy -- such as usage of each level of care to determine in Conditions of Participation are being met and hospice utilization levels.

**Sample reports.** Samples of the data that is available through Healthcare Market Resources can be found here.

**To access the Hospice Public Use Files, click here.**