

Why Preserve Hospice Permit of Approval in Arkansas?

What is Hospice?

Hospice is a type of medical care for patients with a life-limiting illness and a life expectancy of six months or less. Hospice does not provide curative treatment, but rather pain and symptom relief as well as emotional, psychosocial, and spiritual support. Hospice care, when done well, is profoundly beneficial to patients, their caregivers, and their families.



Permit Of Approval (POA) ensures access to high-quality, comprehensive, sustainable hospice care.

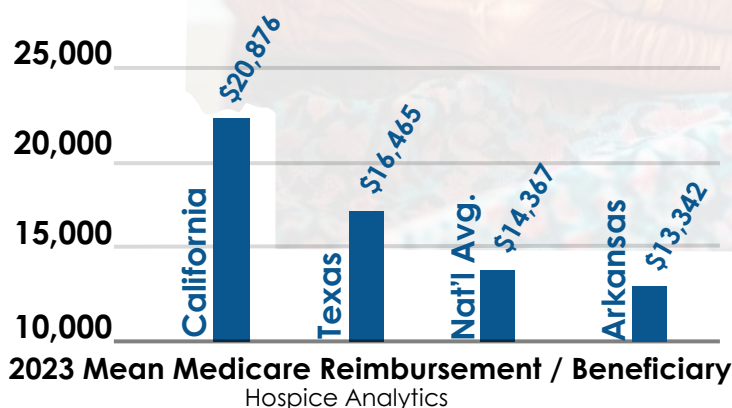
Currently, an additional hospice can be authorized when an unmet need is demonstrated in a particular county. Interested parties may then submit an application to provide care in that area. The Arkansas Health Services Permit Agency reviews all applications submitted and makes a determination.

States without hospice POA have seen hospices proliferate, markets become congested, state regulatory agencies overwhelmed, and increased strain on nursing shortages. Rural areas in particular become unserved or underserved as new hospices congregate in easier-to-serve urban areas, and care becomes fragmented.

POA laws influence and protect hospice quality and program integrity. Arkansas' POA program serves as a vital regulatory mechanism that ensures the responsible growth of hospice services across the state, creating a balanced and competitive environment, and establishing high-quality, efficiency, and program integrity within the industry. This competitive process ensures that patients receive care from providers with the capacity and expertise to meet high regulatory standards.

Eliminating POA in Arkansas WILL NOT

- Create a free market environment for hospices to operate
- Increase access to care
- Reduce healthcare costs
- Provide savings to taxpayers
- Improve care for patients and families



Arkansas currently benefits from efficient operations that keep costs/reimbursements lower than states without POA/CON.

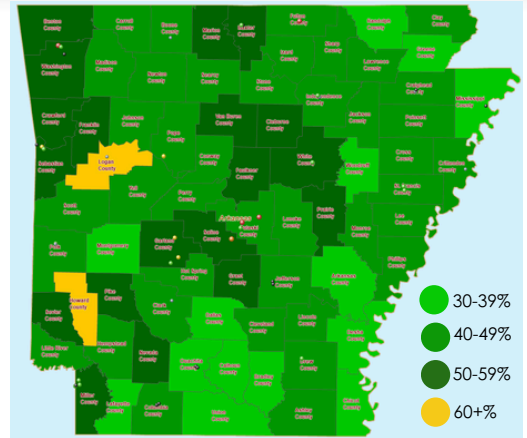
Unlike other goods and services, the price for hospice is not determined by the free market but by the federal government. Reimbursements are determined by Medicare cost reports produced and submitted by providers annually. When the number of hospice providers in the market is appropriate, they have an easier time growing and gaining economies of scale

that reduce the overall cost per patient day. This lower cost per day helps keep reimbursements lower. In addition, administrative burden will increase if the hospice POA is eliminated, as federal law requires all hospice organizations to be surveyed every three years to ensure compliance with CMS Conditions of Participation. The loss of POA results in increased costs to the government and taxpayers with each additional provider.



“ Medicare data highlights Arkansas hospices' strong performance in utilization and access to services, high-quality care, efficient operations, and minimal risk of waste, fraud, or abuse. -Cordt T. Kassner, Hospice Analytics

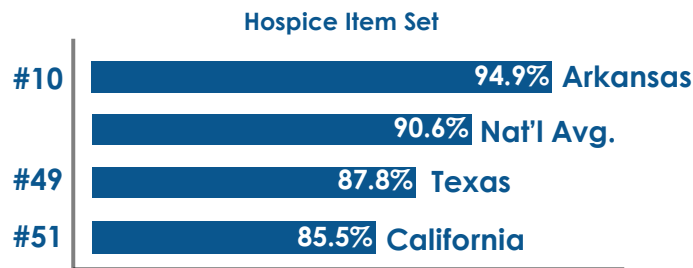
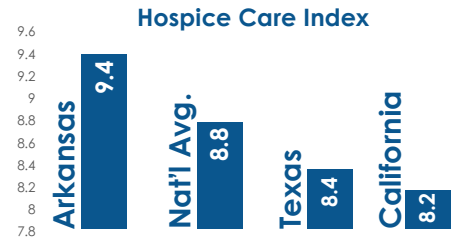
Hospice utilization, which is the percent of Medicare beneficiaries who died on hospice, is an important measure of hospice access and quality. Using the total number of Medicare deaths as the denominator (including traumatic and sudden deaths), the hospice utilization rate in Arkansas is 48.7%, indicating the POA process in Arkansas is working well, as utilization is within 1% of the national average of 49.5%. Under the POA, Arkansas has 52 Medicare-certified hospice providers and services are currently available to residents of all 75 counties.



In comparison, **California** has 36.3 million more residents than Arkansas and over 3,000 hospice providers, yet hospice utilization is only 45.5%. In addition, without POA, hospices have clustered in the easier-to-serve urban areas leaving many California counties without adequate coverage and 11 counties with no hospice coverage at all.

Arkansans currently benefit from higher quality hospice care compared to states without POA/CON.

Hospice Care Index (HCI) is a claims-based-measure published by CMS. It is based on ten indicators that represent different aspects of hospice service and care, including level of care provided and frequency and timing of clinical visits.



The Hospice Item Set (HIS) is a standardized data collection tool implemented by Medicare to assess the quality of care hospice agencies provide. It is used to calculate eight quality measures including treatment preferences, beliefs/values, symptom management, and overall patient experience.

Arkansas demonstrates higher Star Ratings than national averages.



In Arkansas 69% of hospices have 4 or 5 stars. Nationally, only 56% of hospices have star ratings that high. Hospice Compare

Star ratings are based on Consumer Assessment of Healthcare Providers and Systems (CAHPS), a 47-question survey of family members or friends who cared for a patient who died under hospice care.

Eliminating POA in Arkansas WILL

Reduce access in rural communities • Increase cost to government and taxpayers • Decrease quality of care • Expose patients and their families to possible harm and fraud

Needs determination requirements in POA/CON laws help safeguard against malfeasance.

35 states and Washington D.C. operate with some form of Permit of Approval or Certificate of Need (CON) program. Some of the states without POA/CON laws, like **California and Texas**, have become hotspots for fraud, waste, and abuse. Unlike a hospital, surgical center, or dialysis clinic, the capital needed to open a hospice organization is very small. With the barrier to entry being very low for opening a hospice, unscrupulous actors can enter the marketplace easily, commit fraud, and exit before being caught without any risk of financial loss. This fraudulent practice is one reason why federal legislation was proposed in the 118th United States Congress that would place a temporary moratorium on any new Medicare funded hospices.

The hospice care system in Arkansas is functioning at a high level, serving patients across the state without the issues seen in states without POA/CON. Therefore, it is vital to preserve the current process.