"*We believe that everyone should have access to end-of-life care regardless of their ability to pay, complexity of care, or severity of need. Working together, we can ensure that all eligible patients have a meaningful end-of-life experience and the opportunity to write the last chapter of their life.*" - Hospice of Central Ohio -

Measuring the Humanitarian Bottom Line:
The Case for a More Disciplined Approach to Hospice Management

Gerontologists, primary care providers and ad hoc health advisors alike face a daunting complex of decisions when it comes to their most fragile patients. These issues are both old as the life and death cycle and yet ever-new, as the technological, legal and insurance kaleidoscope shifts. And shifts. Exhausted by the web of considerations and ever tighter demands on their time, these health care professionals are thirsty for waters that aren't murky. They long for that comfortable decision, that recommendation they can confidently offer their patients with life-limiting illnesses. Can ***which hospice to use*** be that one effortless recommendation?

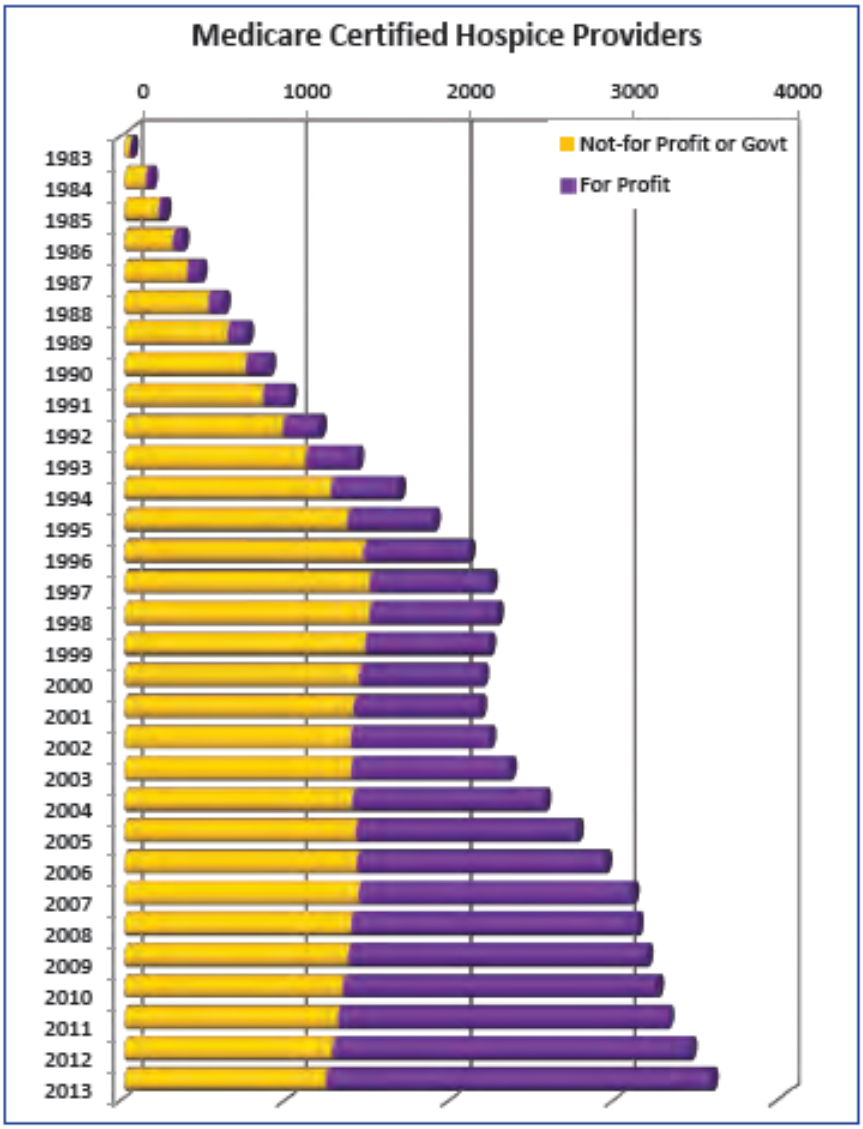
This white paper explores the landscape of hospices today and seeks to answer the question of what defines a successful hospice. It also explains how and why Hospice of Central Ohio (HOCO) has adopted internal business practices that are rigorous and above the standard for the non-profit hospice industry, practices that assure that HOCO's mission is inextricably bound to its everyday operations and how it measures success. HOCO's strong results position them to be both the Central Ohio referral of choice for health care professionals and highly attractive to organizations seeking to partner with a hospice.

Hospice Models

Hospice in the United States is a 40 year old industry that has experienced a tremendous growth spurt over the past 10 to 12 years. Most of these are for-profits, forming as several factors, notably the medically facilitated shift toward a larger elderly population and the sheer growth in industry demand, made hospice a more attractive business opportunity. The number of for-profits nearly tripled between 2000 and 2013 to 2,300 as private equity firms, hedge funds and entrepreneurs entered the market seeking a portion of the growing Medicare reimbursement pie.

In contrast, non-profits, which once dominated the market, have remained at close to the same number for the past twenty years, between 1,200 and 1,400.[i]

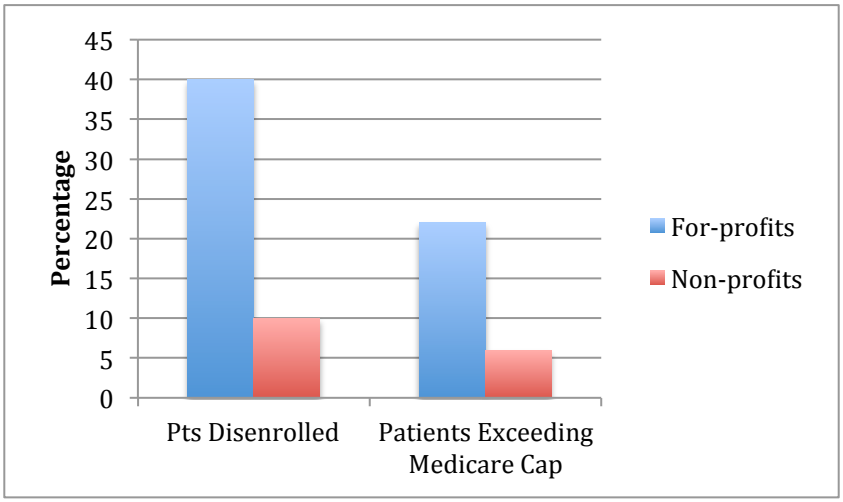
The net effect, however, has been that hospice and palliative care is today a 17 billion dollar industry.[ii]



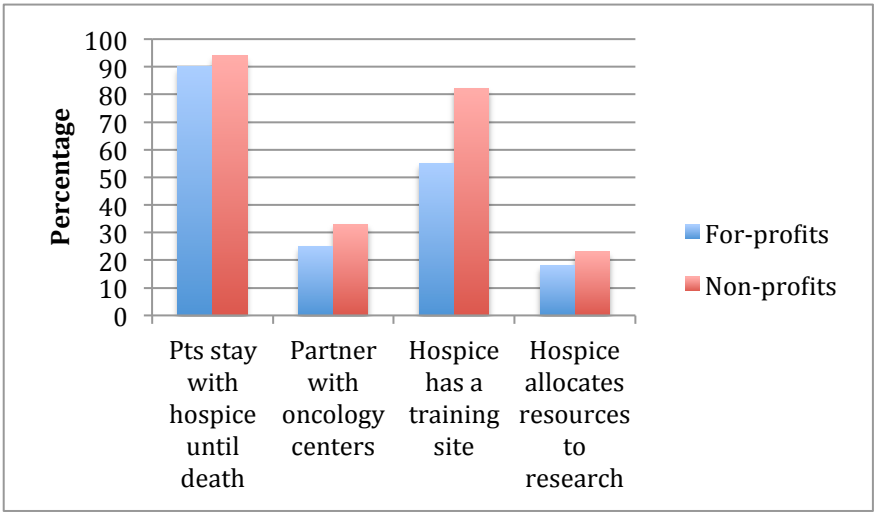
For-profits vs. Non-profits

The new for-profit hospices laid claim to some advantages over non-profits because their model enabled them to garner outside investment funds, make bigger investments in technology, and focus on efficiency and accessibility of care. In spite of the profit imperative, if they could reach a size where they realized sufficient economies of scale, they could afford to lose money on some patients who needed extraordinary care, optional palliative care and other services not considered "primary."

The reality was often a different story. Particularly after private equity firms and hedge funds entered the industry, aligning the profit motive with a humanitarian "bottom line" was often challenging. Between 1999 and 2009, over 40% of for-profits changed ownership[iii]. The National Hospice Survey, sponsored by Mt. Sinai's Icahn School of Medicine, found that between 1999 and 2009, for-profits exceeded non-profits in negative quality criteria such as disenrollment rates and the number of patients whose care exceeded Medicare caps (which may presume a systematic practice of billing right up to the line to receive maximum reimbursement). Further, access to expensive palliative procedures (e.g. radiation therapy to shrink tumors) and last days and crisis care trailed the non-profits' record significantly.[iv]



Selected data from Mt. Sinai's Survey of Hospices, 2000 - 2009



Selected data from Mt. Sinai's Survey of Hospices, 2000-2009

This same study also showed that non-profits also had slightly more patients stay with the hospice until death, were more likely to partner with oncology centers, much more apt to serve as a training site for their staff and slightly more likely to conduct research for publication.

Variances on the Non-profit model

If non-profit hospices tend to be more successful than for-profits on these benchmarks, what determines which of these fulfill more of their community, patient and family needs than others?

The histories and operating styles of non-profits can be compared with the dynamic movements of a ball or stone. How they "bounce" or "roll" depends largely on how well they define themselves and whether their mission serves as mere *aspiration* or as *operating mode*.

The Basketball:

Newer hospices in particular may not develop the financial stability and reputation that attracts philanthropic giving and patient referrals in that critical first five years. Too often they end up cutting corners, they change leadership, or miscalculate staffing and other needs, and the resulting "bounce" in numbers and inconsistency in services provided leads to a community mistrust that is hard to overcome.

The Rolling Stone

Other non-profits ride along at a more or less even pace, but fail to launch any major initiatives to grow or improve. There is a self-perception among many non-profit organizations that because they are in the caregiving sector, business priniciples are largely to be eschewed. These "rolling stone" organizations shy away from the very principles that could enable them to perform the noble core activities of their business with excellence.

The Snowball

To extend our spherical object metaphor one final step, only when a hospice embraces that business principles and humanitarian goals don't have to be in conflict, can a snowball effect, which we will define as "a momentum-gathering phenomenon with a future!", occur.

A snowball hospice is characterized by a clarity of purpose, a disciplined adherence to create and accept only excellent practices and people, and a "safe criticism" environment. There is no gap between the noble mission and the operating mode. A commitment to the mission statement principles mean that year to year results fluctuate within a fairly narrow band, their philosophically-integrated staff is more stable, and planning and expansion of the business are possible.

How a "Snowball Hospice" Operates

To have the momentum and growth of a rolling snowball, a hospice must define itself as a *business* with a humanitarian bottom line.

Key actions of the snowball organization:

Focus on outputs not inputs

You can't have quality output without quality input, but those who evaluate themselves primarily on the basis of input (while much easier to measure), are ignoring the bottom line. A hospice's three primary realms of care delivery care can be broken down into these inputs and outputs:

Physical care

Input is such things as hours of staff and volunteer time dressing wounds, pushing wheelchairs, ordering needed equipment and medicine, administering medications.

Output is successful alleviation of pain and discomfort, patients' ability to do what they had hoped to do, to be in their best possible state for family and friends, to feel that they have had the optimal ability to live rather than just waiting to die.

Emotional care

Input is hours around the kitchen time with the family...time at the bedside and just being there, particularly in the last days.

Output is whether the patient and family felt heard, whether their wishes were understood and acted upon, whether the patient felt cared for, whether the patient's and families' distress was minimized by the care given.

Spiritual care

Input is visits by a clergy or other leader, musical therapy or other requests granted.

Output is the peace achieved during this last period of life, so that the patient can do the more intangible work of writing of the last chapter of his or her life.

Measure Results

Just because these goals aren't themselves quantifiable doesn't mean they can't be measured by other criteria. There is relevant data and other information to collect and analyze, and these numbers help answer the questions of whether the hospice is meeting the physical, emotional and spiritual care of their patients.

***What to measure*:**

The tangible:

1. Are they growing in patient numbers?

2. Are the numbers of employees, patient families, volunteers and community members who donate increasing?
3. Do their volunteers stay? Are their board members volunteers?
4. Do their employees stay?
5. Are they sustaining/ growing in financial stability?
6. Are they meeting their commitment to "no disenrollment"?
7. Are they providing crisis care and a full range of palliative services as recommended by the health care providers and desired by the patient and family?

The less tangible criteria include what patients and their families have to say about their experience, whether they refer others to the hospice and whether the hospice addresses the needs of the entire family at each stage. Finally, are they positively rooted in their communities and recognized as an essential service?

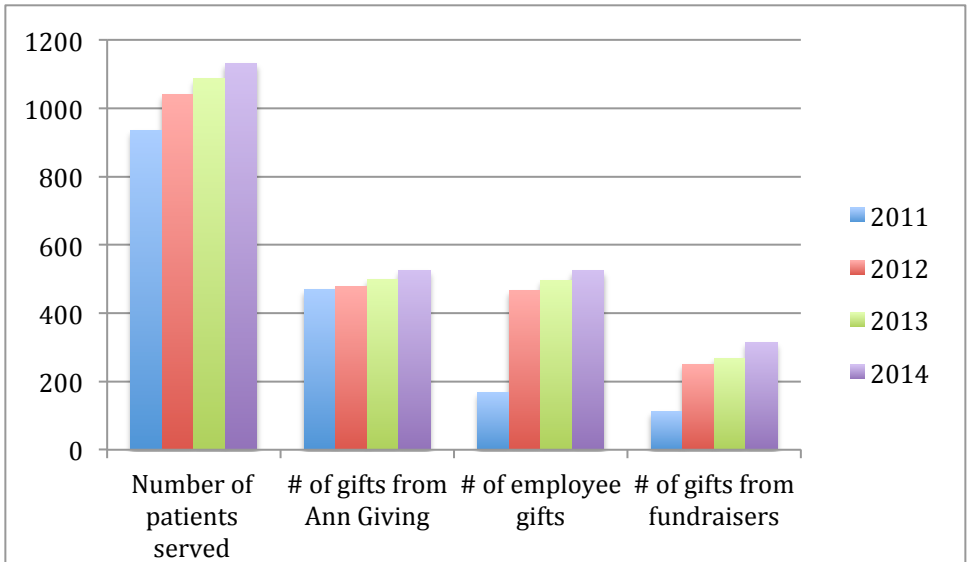
By these criteria, what are Hospice of Central Ohio's Results?

1. ***Number of Patients***
   In 2014, HOCO served 1131 patients in 9 counties, with an average daily census of 210. This continues an upward trend that has not faltered over the past 4 years.

2. ***Trend in number of employees, patient families, volunteers and community members who donate***

   From 2011 to 2014, there has been an annual increase in the following key measures of employee, client and community commitment to HOCO:

- the number of gifts through our Annual Giving campaign, up 12%
- the number of employees giving to HOCO tripled
- the number of gifts from fundraisers tripled and proceeds doubled



3. ***Volunteer stability and board member involvement***

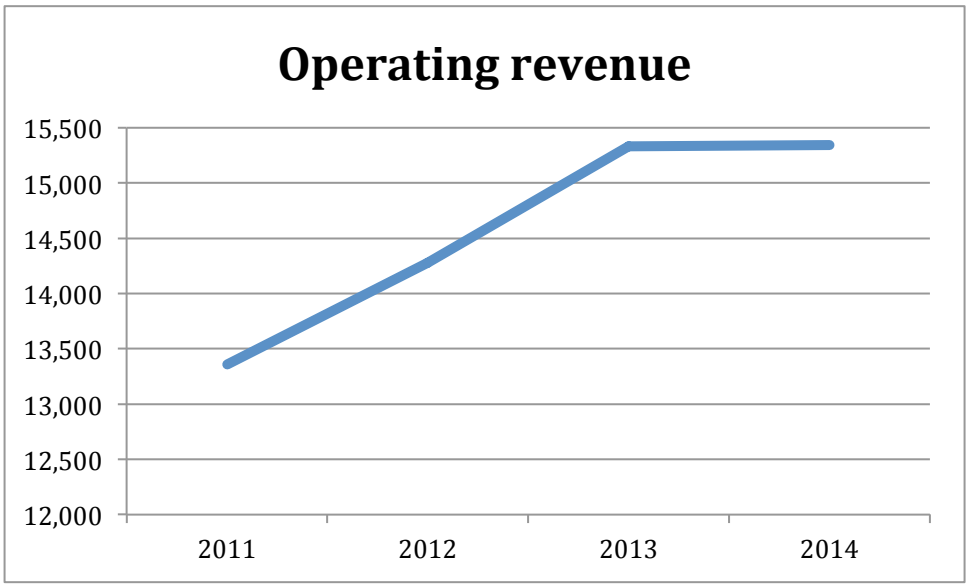
HOCO is fortunate to draw many volunteers and student interns from a local university, increasing the seasonal and year-to-year fluctuations of our volunteer ranks. Even with the student component, however, HOCO's volunteer retention rate is over three years, significantly higher than the national average.
All of our board members volunteer many hours each year to HOCO.

4. ***Employee turnover***

Our staff turnover has fallen consistently for the past five years to 13.2% in 2014, compared to the industry average of 30%[v]

5. ***Financial Stability/Growth***

Operating revenue rose for the three contiguous years between 2011 - 2013 and remained steady in 2014 as made a much-needed expansion of our home office.



6. ***Commitment to "No disenrollment"***

We have lived up to our mission statement regarding disenrollment of patients: "Everyone should have access to end-of-life care regardless of their ability to pay, complexity of care, or severity of need".

7. ***Provision of crisis care and a full range of palliative services***

We provide palliative care, including radiation therapy for pain-related tumor reduction, to patients for whom it is prescribed/recommended.

In addition to evaluating these criteria over time and in comparison with industry averages, we listen, share and evaluate feedback from our patients, families and communities. Such feedback has driven:

- *a revitalization of our adults' and children's bereavement services and camps, increasing family participation in one of our programs to a record 34%.*

- *a restructuring of our community fundraisers to include more young people and philanthropy-minded people outside the hospice circle (80% of participants are not HOCO families)*

- *our 2014 community fundraisers bringing in triple the numbers of donations of just 3 years ago.*

How Hospice of Central Ohio Maintains Its Trajectory

We believe it is because:

1. We are not-for-profit, allowing us to self-define and self-direct. For us, this self-direction means that every initiative we take, every decision of any consequence must meet the test of being ***purposeful and worthwhile, intentional and deliberate.***

2. We work tirelessly to assure there is no gap between our mission and operating reality, through:

    - clarity of purpose
    - a disciplined adherence to accept/create only excellent practices and people
    - a "safe criticism" environment
    - focus on output not input
    - measurement of how we are doing
    - operating like a business, but one that has a humanitarian bottom line.

It is no secret that when an organization's mission is organic, embraced throughout the ranks of staff and volunteer, it will succeed, as long as it is the correct mission. In defining our mission with the emphasis on living vs. dying, and striving for meaning in the last period of life, we believe we have captured the best of the hospice legacy begun by Dame Cicely Saunders in England 67 years ago.

In HOCO's case, that mission is encapsulated by "meaningful, end-of-life experience and the opportunity to write the last chapter of their life". Everything we do centers on that mission and must pass the test of being purposeful and worthwhile, intentional and deliberate.

3. We have created a history that enables us to be a snowball vs. a basketball or a rolling stone. Snowballs attract more of the very substance that comprises their core. We make sure our core is understood, is worth building on and is positioned to attract more of what makes us excellent and worthwhile.

Hospice Matters - Now, More Than Ever

Approximately 12,000 people dwell in the 118 assisted living and nursing care facilities in Central Ohio. Another 70,000 seniors 75 and older still live in their own home or in an independent living community.[vi] Thousands more live with family members.

10-14% of these seniors will die this year, most from terminal iillness.[vii] Nearly half of these people and their families will seek the help of a hospice during their final months.[viii] Of course, services are also rendered to the terminally ill of any age. In fact, 33% of hospice recipients are under 65 years old.

Hospice matters. And just as choosing the right health care professionals to help with the often painful process of aging, choosing the *right* hospice matters. Is the hospice ***aspiring to*** its mission or ***delivering on*** its mission?

We hope this paper has been useful in helping your guide your patients wisely and comfortably.

"Of all the parameters by which we can measure success, the ultimate, the highest bar, is whether our communities truly recognize us as an integral and crucial asset. I have found that community opinion generally reflects the aggregate of the thousands of individual patient and family lives touched by hospice, to a remarkable degree of accuracy. As long as the Hospice of Central Ohio's service communities are recognizing us as a critical partner, we know we are succeeding."

- Kerry Hamilton, President and CEO, Hospice of Central Ohio

Hospice of Central Ohio is a full-service, non-profit palliative and hospice care organization founded in 1982. We provide residential care at Licking Memorial Hospital and in-home care to patients in Licking, Franklin, Delaware, Knox, Choshocton, Fairfield, Hocking, Perry and Muskingum counties.

Hospice of Central Ohio achieved DEEM status with the Accreditation Commission for Healthcare in 2014.

[i] NHPCO, *Facts and Figures: Hospice Care in America*, 2014 Edition, Web
[ii] Peter Whoriskey and Dan Keating, "The Business of Dying", Washington Post, Dec. 26, 2014, Web
[iii] Melissa D. Aldridge, Mark Schlesinger, et al, *National Hospice Survey Results Abstract,* JAMA Intern Med. April, 2014, Web
[iv] Melissa D. Aldridge, Mark Schlesinger, et al, *National Hospice Survey Results Abstract*, JAMA Intern Med. April, 2014, Web
[v] "Evaluating Employee Turnover in Home and Hospice Care", InvestigAge, Institute on Aging, August 31, 2010, Web.
[vi] NIC/MAP Metro Report, Columbus, Ohio, 1st Q 2015
[vii] CDC mortality rate tables, 2014, Web
[viii] MedCap Report to Congress: *Medicare Payment Policy*, March 2014, Web