




*Financial Implications of  
Promoting Excellence in End-of-Life Care  
Executive Summary*



**PROMOTING EXCELLENCE IN END-OF-LIFE CARE  
A NATIONAL PROGRAM OFFICE OF  
THE ROBERT WOOD JOHNSON FOUNDATION**

# Completing the Picture of Excellence

In 1997, The Robert Wood Johnson Foundation launched a national program, *Promoting Excellence in End-of-Life Care*, with a mission of improving care and quality of life for dying Americans and their families. We soon realized that the metaphor of a jigsaw puzzle seemed apt in describing our efforts to expand access to services and improve quality of care in a wide range of settings and with diverse populations. No single approach would suffice—a variety of strategies, models of care and stakeholders are necessary to successfully complete the picture. This monograph represents one aspect of our work and one piece of the puzzle of ensuring that the highest quality of care, including palliative care, is available to all seriously ill patients and their families.

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## Acknowledgements

This publication was produced by *Promoting Excellence in End-of-Life Care*, a National Program Office of The Robert Wood Johnson Foundation, directed by Ira Byock, MD. Primary authors of this report are:

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## About the Artist

Deidre Scherer's fabric and thread images on aging have appeared in over one hundred individual and group shows throughout the United States and internationally, including her solo exhibition at The Baltimore Museum of Art. Her work has been featured extensively in publications and on covers including the best-selling, *When I Am an Old Woman I Shall Wear Purple*.

With a Fine Arts Fellowship from the Open Society Institute's Project on Death in America, Scherer completed six life-size panels, *Surrounded by Family and Friends*. In this series, as in her past artwork, Scherer raises societal awareness concerning aging and dying. For more information, visit: [www.dscherer.com](http://www.dscherer.com).

# Financial Implications of Promoting Excellence in End-of-Life Care

## Executive Summary

Research has confirmed that too many Americans die badly. Despite the best in medical science and technology, many patients with advanced, life-limiting illnesses suffer needlessly in the final stages of their lives. One of the biggest factors underlying the current crisis involves existing payment mechanisms that encourage health service utilization that is inconsistent with established domains of quality for end-of-life care. Major changes in policy and health care funding based on evidence and solid programmatic experience are needed.

The innovative projects that comprise *Promoting Excellence in End-of-Life Care* shed light on practical and effective ways for improving quality and access to care for incurably ill patients and their families. Each introduced palliative care “upstream” in the course of illness, concurrent with treatment intended to prolong life. Discernable patterns emerging from the preliminary results provide strong empiric evidence of the ability to coordinate and streamline health service delivery to patients with high burdens of illness, improving quality of care while diminishing use of costly services and overall health care expenditures.

Selected program descriptions illustrate the experience of *Promoting Excellence in End-of-Life Care* projects.

### INTEGRATING PALLIATIVE CARE AND STATE-OF-THE-ART CANCER CARE

*Palliative Care Program*, University of Michigan Comprehensive Cancer Center in Ann Arbor and Hospice of Michigan in Detroit, conducted a randomized controlled trial testing the quality and cost-effectiveness of concurrent cancer treatment and hospice care tied together by the services of a Palliative Care Coordinator based in oncologists’ offices. Preliminary results show that overall Medicare costs were \$7,058 less per patient in the intervention group. The biggest difference was for hospital care (intervention: \$8,974; control: \$13,126).

*Project Safe Conduct*, Ireland Cancer Center and Hospice of the Western Reserve, Cleveland, Ohio, developed an integrated care path offering a seamless transition from curative to palliative care for patients with lung cancer and their families using the “Safe Conduct Team” to provide palliative care within the cancer center. Hospital admissions rate dropped 67 percent—from 3.20 hospitalizations per patient per year to just 1.05 with Safe Conduct.

## **SPECIAL ATTENTION TO CHILDREN WITH LIFE-THREATENING ILLNESSES**

*Pediatric Palliative Care Project*, Children's Hospital and Regional Medical Center in Seattle, is a collaborative statewide project among payers and providers to promote family-centered pediatric palliative care, enhance insurance benefit administration, and create coordinated, home-based services for children with potentially life-limiting conditions and their families. Partners include Washington's Medicaid agency, Premera Blue Cross, Regence BlueShield and 10 hospice and home care providers from around the state.

Leadership of both Premera and Regence believes it is cost effective. Premera's medical director asserts that the company's case management and care facilitation programs have at least a 4 to 1 return on investment. Similarly, Washington Department of Social and Health Services' Medical Assistance Administration analyzed six high-cost children participating in the program and concluded that it saved an average of \$3,652 per client per month.

## **IMPROVING COMFORT AND QUALITY OF LIFE WITHIN A SAFETY-NET HEALTH SYSTEM**

In New Orleans, *PalCare*, a palliative care program for people with advanced HIV/AIDS at the Louisiana State University Health Sciences Center and Medical Center of Louisiana, blends palliative care and intensive treatment for patients living with advanced HIV disease and their families, as well as support for other clinicians in dealing with the challenges of this high-risk, high-need, multiply diagnosed, disenfranchised population.

The positive impact on patient care, workflow, communication and coordination between clinical departments, and responsible use of limited health service resources, has earned PalCare ardent support at all levels of the LSU health system. PalCare is being continued, despite severe financial stress in the Louisiana state health system.

## **PALLIATIVE CARE'S CONTRIBUTION TO A GLOBALLY BUDGETED VA HEALTH SYSTEM**

*Palliative Care Management*, Department of Veterans Affairs, Greater Los Angeles Health Care System, implemented a palliative care model with disease condition-specific elements for poor-prognosis veterans with lung cancer, CHF and COPD. The program centered around a nurse case manager who educated enrolled patients and families regarding decision-making and symptom self-

management, provided continuity and coordination of care, and served as the hub of an interdisciplinary palliative care team that helped to manage patients' psycho-social and spiritual needs.

The program introduced palliative care soon after diagnosis, worked closely with hospices and other home-based services and eased the transition into hospice care. In the final month of their lives, Pathways of Caring patients had total health care costs of \$10,248 compared to \$18,853 for a retrospectively matched control group, with most of the savings resulting from reduced hospital costs.

## ALIGNING PALLIATIVE CARE WITH CAPITATION

*CHOICES*, a program at Sutter Visiting Nurse Association and Hospice in Emeryville, California, provided care coordination, patient/family education, advanced care planning, and home-based medical, psychosocial and end-of-life care for high-risk, medically unstable patients enrolled in Medicare risk plans.

With *CHOICES*, 59 percent of decedents spent their final days at home, compared to 26 percent for the Northern California region, evidence of the program's ability to meet people's needs while preventing the crises that lead to terminal hospitalizations.

## STATE OF THE ART IN PALLIATIVE CARE MANAGEMENT

*Improving End-of-Life Care: Integrating Community Case Management and Palliative Care* is a unique collaboration between clinician-researchers at New York's Mount Sinai School of Medicine, Franklin Health, Inc. (FHI), a private disease management firm, and Blue Cross-Blue Shield of South Carolina. The project integrated patient-centered palliative care for adults living at home with serious and life-threatening illnesses by enhancing an existing "complex care management" system through development of palliative care training and treatment protocols.

In recent data from a partnering insurance plan, FHI calculated savings of \$33,000 per managed case in the third year of implementation, principally resulting from reductions in average numbers of hospital inpatient days, admissions and readmissions per claimant.

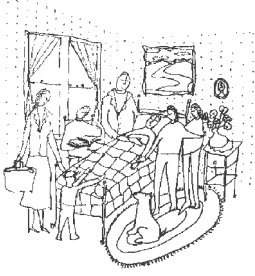
## FUTURE DIRECTIONS

The current hopeful findings and positive programmatic experience carry important implications for health policy. When the focus is on patients with progressive disease and high burdens of illness, access to palliative care services, quality of care and control of costs appear well aligned. Preliminary results suggest that the savings, particularly in unplanned hospitalizations, exceed the invested costs of care coordination, symptom control, crisis management and other elements of palliative care.

Well-designed, large-scale studies are required to test these early indications of preserved quality of life, improved system operations, decreased service utilization, prevention of caregivers' burden and secondary health costs, and, most intriguingly, positive impact on survival.

The creative, collaborative work of the clinicians, researchers and administrators involved in *Promoting Excellence in End-of-Life Care* projects across the country represent a foundation of experience and empiric evidence. Further research and policy development will enable us to remove the artificial distinctions between living with serious illness and dying and dissolve unnecessary impediments to improving comfort, ensuring family support and enhancing the quality of life's end for all Americans.





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