



Hospice Monitoring Report

April 2025

Analyses and findings within this report were calculated by Abt Global under the contract "Home Health Prospective Payment System (HH PPS) Hospice, Home Infusion Therapy (HIT), Home Intravenous Immune Globulin (IVIg) Items and Services and Inpatient Rehabilitation Facility Prospective Payment System (IRF PPS): Analysis Support and Monitoring" (GS-00F-252CA), funded by the Centers for Medicare & Medicaid Services, Department of Health and Human Services.



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Executive Summary

The Medicare Fee-for-Service (FFS) hospice benefit provides palliative services for pain and symptom management, as well as emotional and spiritual supportive services, to beneficiaries who are terminally ill with a prognosis of six months or less. Within this monitoring report we examine who is using the Medicare FFS hospice benefit and how it is being used. Specifically, we focus on hospice utilization from Federal Fiscal Years (FYs) 2020 – 2024.

This report summarizes:

- Utilization of beneficiaries who use hospice and what level of care they receive (Exhibits 1 through 2)
- Beneficiary deaths, discharges, and transfers from hospice (Exhibits 3 through 4)
- Beneficiaries' length of stay (LOS) in hospice (Exhibit 5)
- Medicare expenditures related to hospice use (Exhibit 6)
- Non-hospice Medicare expenditures for Medicare beneficiaries enrolled in hospice (Exhibits 7 through 8)
- The primary diagnostic category of beneficiaries using hospice (Exhibit 9)

Within this report, we find:

- Use of the hospice benefit, and the number of hospices providing hospice services, has grown over time.
- Routine Home Care (RHC) is overwhelmingly the most common level of care provided during hospice election.
- Roughly half of Medicare beneficiaries die while using hospice.
- The rate of live discharge has increased steadily between FY 2020 (16.0%) to FY 2024 (19.0%).
- The length of time a Medicare beneficiary is enrolled in hospice can range substantially, from four days or less to 181 or more days.
- Annual expenditures under the hospice benefit have grown from \$22.1 billion in FY 2020 to \$27.5 billion in FY 2024.
- Total non-hospice payments have increased from FY 2020 through FY2024, in part due to the increased number of hospice users during this time.
- The diagnostic category with the largest percentage of beneficiaries is "Cancers" (22.1% in FY 2024) and the category with the lowest percentage is "Chronic Kidney Disease/End-Stage Renal Disease" (2.0% in FY 2024).

Overall Methodology

Data for analyses come from the CMS Chronic Conditions Warehouse Virtual Research Data Center (CCW VRDC), where 100% of hospice fee-for-service (FFS) claims were extracted on January 13, 2025. For this report, we examine data from Federal FYs 2020 - 2024. Because of when claims were acquired, results for the last half of 2024 may be incomplete. In addition to hospice claims, we also collect all Medicare FFS non-hospice Part A & B claims and Part D Prescription Drug Events (PDEs) for the same time period for those beneficiaries with a hospice claim. For dates of death of Medicare beneficiaries, we use information from the Medicare Enrollment Database. When possible, we make no exclusions to the data. However, for Exhibits 4, 5, 7, 8, and 9, we make a small set of exclusions to hospice claims (roughly 0.5% of hospice claims per year) if claims are duplicates, have missing dates, or more than one hospice claim overlaps another from the same provider. We do not make any additional exclusions to the non-hospice Part A & B claims and Part D PDEs.

Hospice level of care is identified from the hospice claim using the following revenue codes:

- Routine Home Care (RHC): Revenue Code 0651
- Continuous Home Care (CHC): Revenue Code 0652
- Inpatient Respite Care (IRC): Revenue Code 0655
- General Inpatient Care (GIP): Revenue Code 0656

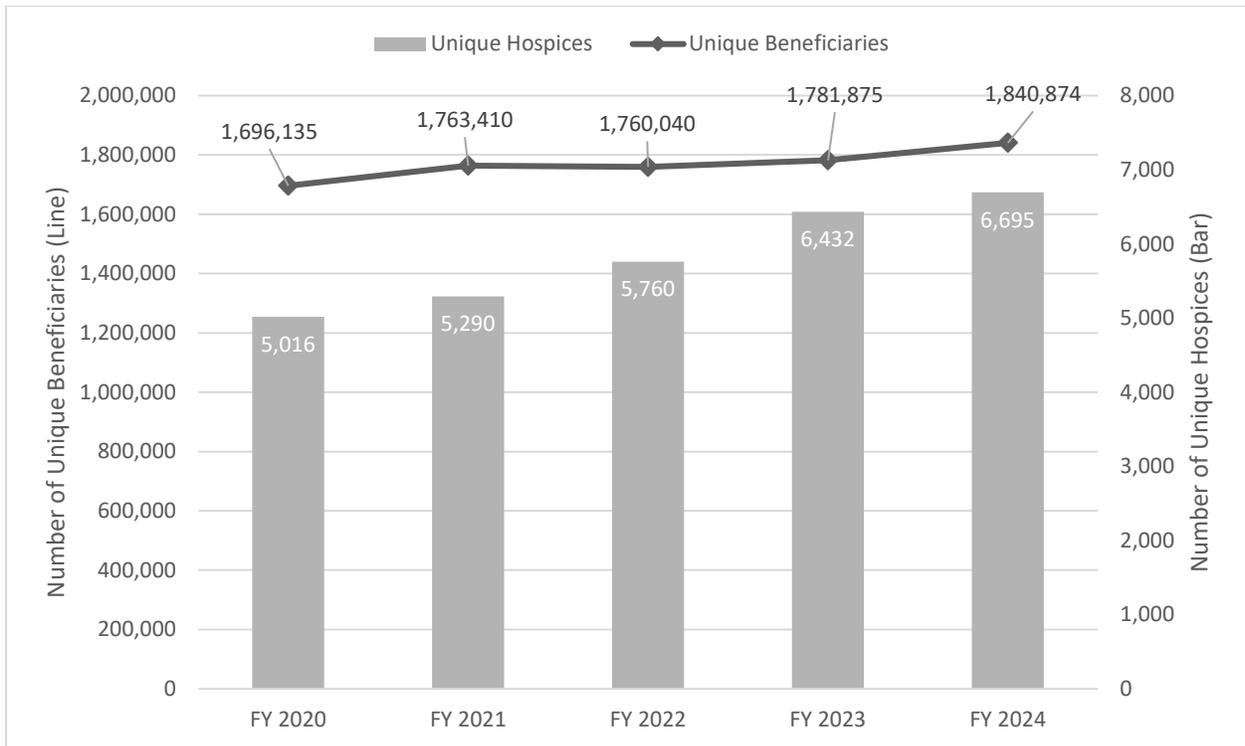
A beneficiary's lifetime LOS is calculated by first limiting the analysis to all beneficiaries whose final claim from FY2020 – FY2024 does not indicate they are still a hospice patient (i.e., a patient's last hospice claim from FY2020 – FY2024 does not have a patient discharge status code equal to "30" which indicates they remained in hospice). Then, we count the total number of days a beneficiary has used hospice since the date of their first hospice election (even if their first hospice election began before the start of FY2020). Note that in a given year some discharges were beneficiaries leaving hospice alive, and those could have returned to hospice in a later year, adding to their total lifetime length of stay.

Beneficiaries are assigned into the following diagnostic categories according to a beneficiaries' primary diagnosis:

- 1) Alzheimer's, Dementia, and Parkinson's,
- 2) Cancers,
- 3) Cardiac (e.g., Congestive Heart Failure (CHF)),
- 4) Respiratory (e.g., Chronic Obstructive Pulmonary Disease (COPD)),
- 5) Cerebral Vascular Accident (CVA)/Stroke,
- 6) Chronic Kidney Disease (CKD)/End-Stage Renal Disease (ESRD), and
- 7) Other.

We assign diagnoses into categories using the Agency for Healthcare Research and Quality (AHRQ)'s Clinical Classifications Software Refined (CCSR) v2023.1.

Exhibit 1. Overall Utilization of Hospice Services



Source: Analyses of Medicare FFS hospice claims (Accessed from CCW VRDC on January 13, 2025)

Key Takeaways:

- The rate of growth in the number of unique hospices slowed in FY 2024 for the first time in several years.
- Despite the decline in growth rate of hospices, the number of unique beneficiaries using hospice experienced the largest increase since FY 2021.

Exhibit 1 Methodology:

Refer to the Overall Methodology section of this report for additional details.

Exhibit 2a. Number of Hospice Days by Level of Care for FYs 2020-2024

| Level of Care | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Routine Home Care (RHC) | 125,849,330 | 127,223,206 | 129,588,340 | 136,865,590 | 145,951,139 |
| Continuous Home Care (CHC) | 210,574 | 157,121 | 125,757 | 131,968 | 134,298 |
| Inpatient Respite Care (IRC) | 295,651 | 304,554 | 350,384 | 406,999 | 453,303 |
| General Inpatient Care (GIP) | 1,278,630 | 1,246,994 | 1,170,715 | 1,170,745 | 1,185,893 |
| Total Hospice Days | 127,634,185 | 128,931,875 | 131,235,196 | 138,575,302 | 147,724,633 |

Source: Analyses of Medicare FFS hospice claims (Accessed from CCW VRDC on January 13, 2025)

Exhibit 2b. Percentage (within a year) of Hospice Days by Level of Care for FYs 2020-2024

| Level of Care | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|-------------------------------------|---------|---------|---------|---------|---------|
| Routine Home Care (RHC) | 98.6% | 98.7% | 98.7% | 98.8% | 98.8% |
| Continuous Home Care (CHC) | 0.2% | 0.1% | 0.1% | 0.1% | 0.1% |
| Inpatient Respite Care (IRC) | 0.2% | 0.2% | 0.3% | 0.3% | 0.3% |
| General Inpatient Care (GIP) | 1.0% | 1.0% | 0.9% | 0.8% | 0.8% |

Source: Analyses of Medicare FFS hospice claims (Accessed from CCW VRDC on January 13, 2025)

Key Takeaways:

- Routine Home Care (RHC) is overwhelmingly the most frequently billed level of care.
- The percentage of days being billed as RHC has increased slightly from FY 2020 through FY 2024.
- The percentage of days billed to other levels of care (CHC, IRC, and GIP) has either stayed flat or fallen slightly between FY 2020 and FY 2024. This has occurred even though those three levels of care were rebased in FY 2020 and therefore paid higher amounts.

Exhibit 2 Methodology:

Refer to the Overall Methodology section of this report for additional details.

Exhibit 3a. Deaths Inside and Outside of Hospice for FYs 2020-2024

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|--|----------------|----------------|----------------|----------------|----------------|
| Total Deaths of All Medicare Beneficiaries | 2,578,724 | 2,807,421 | 2,700,074 | 2,542,226 | 2,543,757 |
| Total Deaths of Medicare Beneficiaries Electing Hospice | 1,290,061 | 1,339,049 | 1,320,360 | 1,312,602 | 1,344,129 |
| Percentage of Death in Hospice | 50.0% | 47.7% | 48.9% | 51.6% | 52.8% |

Source: Analyses of Medicare FFS hospice claims (Accessed from CCW VRDC on January 13, 2025)

Exhibit 3b. Mortality Rate of Medicare Beneficiaries Electing Hospice for FYs 2020-2024

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|--|----------------|----------------|----------------|----------------|----------------|
| Unique Beneficiaries Electing Hospice | 1,696,135 | 1,763,410 | 1,760,040 | 1,781,875 | 1,840,874 |
| Total Deaths of Medicare Beneficiaries Electing Hospice | 1,290,061 | 1,339,049 | 1,320,360 | 1,312,602 | 1,344,129 |
| Mortality Rate (per 100,000 persons) | 76,059 | 75,935 | 75,019 | 73,664 | 73,016 |

Source: Analyses of Medicare FFS hospice claims (Accessed from CCW VRDC on January 13, 2025)

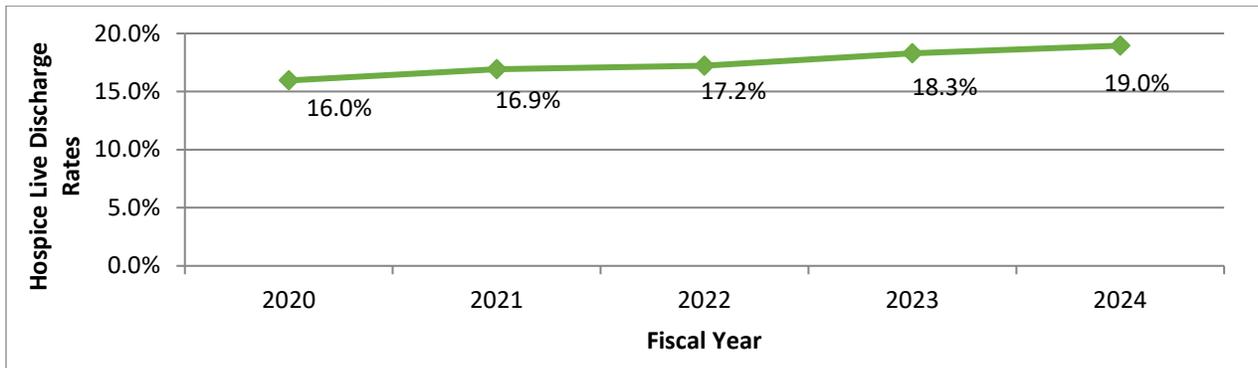
Key Takeaways:

- The percentage of deaths that occur while a beneficiary elects hospice has risen in recent years, from 47.7% in FY2021 to 52.8% in FY 2024.
- The mortality rate of beneficiaries electing hospice has decreased every year from FY 2020 through FY 2024.

Exhibit 3 Methodology:

Total deaths of all Medicare beneficiaries include both beneficiaries enrolled in FFS and/or Medicare Advantage. Total deaths of Medicare beneficiaries electing hospice are those with a date of death within their hospice election. Refer to the Overall Methodology section of this report for additional details.

Exhibit 4a. Overall Hospice Live Discharge Rate for FYs 2020-2024



Source: Analyses of Medicare FFS hospice claims (Accessed from CCW VRDC on January 13, 2025)

Exhibit 4b. Total Live Discharges, Reason for Live Discharge, and Transfers for FYs 2020-2024

| Reason for Discharge or Transfer | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|
| For Cause | 3,629 | 4,227 | 4,638 | 5,704 | 5,008 |
| Revoke | 78,491 | 86,290 | 84,400 | 88,527 | 95,027 |
| No Longer Terminally Ill | 79,480 | 87,112 | 86,866 | 89,250 | 88,485 |
| Moved out of the Service Area | 24,277 | 30,371 | 34,285 | 39,103 | 44,017 |
| Transferred Hospice | 29,314 | 31,167 | 31,094 | 33,350 | 36,515 |
| Total | 215,191 | 239,167 | 241,283 | 255,934 | 269,052 |

Source: Analyses of Medicare FFS hospice claims (Accessed from CCW VRDC on January 13, 2025)

Exhibit 4c. Percentage (within a year) of Live Discharges, Reason for Live Discharge, and Transfers for FYs 2020-2024

| Reason for Discharge or Transfer | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| For Cause | 1.7% | 1.8% | 1.9% | 2.2% | 1.9% |
| Revoke | 36.5% | 36.1% | 35.0% | 34.6% | 35.3% |
| No Longer Terminally Ill | 36.9% | 36.4% | 36.0% | 34.9% | 32.9% |
| Moved out of the Service Area | 11.3% | 12.7% | 14.2% | 15.3% | 16.4% |
| Transferred Hospice | 13.6% | 13.0% | 12.9% | 13.0% | 13.6% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Source: Analyses of Medicare FFS hospice claims (Accessed from CCW VRDC on January 13, 2025)

Key Takeaways:

- The overall percentage of live discharge has steadily increased between FY2020 and FY 2024.
- The percentages of live discharge by reason have mostly stayed consistent over time. There has been a slight increase in the live discharge percentage because of beneficiaries moving out of the service area from FY 2020 through FY 2024. During that same time period, there has been a slight decrease in the percentage of beneficiaries who are no longer terminally ill.

Exhibit 4 Methodology:

All hospice claims list a discharge status code. We exclude claims if they listed status code 30, indicating a continuing patient. Discharges ending in death had a discharge status code of 40, 41, or 42. Any claims not already excluded or that indicated a discharge resulting from death were considered live discharges. Refer to the Overall Methodology section of this report for additional details.

Exhibit 5a. Number of Beneficiaries by Hospice Lifetime Length of Stay (LOS) Category for FYs 2020-2024

| Hospice Lifetime LOS | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|----------------------|---------|---------|---------|---------|---------|
| 1-4 days | 278,567 | 308,223 | 296,099 | 286,820 | 291,561 |
| 5-10 days | 230,109 | 242,354 | 235,070 | 231,818 | 235,248 |
| 11-30 days | 251,465 | 259,820 | 259,452 | 259,074 | 266,791 |
| 31-60 days | 139,107 | 142,499 | 145,333 | 148,113 | 153,599 |
| 61-90 days | 73,379 | 75,562 | 77,521 | 80,524 | 85,571 |
| 90-180 days | 118,397 | 119,564 | 123,376 | 129,534 | 141,235 |
| 181+ days | 193,534 | 195,258 | 197,181 | 209,036 | 241,236 |

Source: Analyses of Medicare FFS hospice claims (Accessed from CCW VRDC on January 13, 2025)

Exhibit 5b. Percentage (within a year) of Beneficiaries by Hospice Lifetime Length of Stay (LOS) Category for FYs 2020-2024

| Hospice Lifetime LOS | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|----------------------|---------|---------|---------|---------|---------|
| 1-4 days | 21.7% | 22.9% | 22.2% | 21.3% | 20.6% |
| 5-10 days | 17.9% | 18.0% | 17.6% | 17.2% | 16.6% |
| 11-30 days | 19.6% | 19.3% | 19.4% | 19.3% | 18.9% |
| 31-60 days | 10.8% | 10.6% | 10.9% | 11.0% | 10.9% |
| 61-90 days | 5.7% | 5.6% | 5.8% | 6.0% | 6.0% |
| 90-180 days | 9.2% | 8.9% | 9.2% | 9.6% | 10.0% |
| 181+ days | 15.1% | 14.5% | 14.8% | 15.5% | 17.0% |

Source: Analyses of Medicare FFS hospice claims (Accessed from CCW VRDC on January 13, 2025)

Key Takeaways:

- Slightly over 20% of hospices users in the sample have a lifetime length of stay in hospice of between 1 and 4 days.
- In any given year, between 56% and 60% of beneficiaries in the sample have a lifetime length of stay of between 1 and 30 days.
- The distribution of stays has shifted between FY 2020 and FY 2024 towards fewer short stays (≤ 60 days) and more long stays (≥ 61 days).

Exhibit 5 Methodology:

Only beneficiaries whose last day of hospice was not associated with a discharge status code of "30" were assigned to the fiscal year of their last day of hospice ("30" indicates they remained in hospice). Note that in a given year some discharges were beneficiaries leaving hospice alive, and those could have returned to hospice in a later year, adding to their total lifetime length of stay. All days of hospice from their first hospice election (even if it occurred before FY 2020) were counted towards lifetime length of stay. Refer to the Overall Methodology section of this report for additional details.

Exhibit 6. Medicare Hospice Expenditures for FYs 2020-2024

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|--|------------------|------------------|------------------|------------------|------------------|
| Total Hospice Payments | \$22,099,365,373 | \$23,034,467,018 | \$23,454,108,667 | \$25,142,647,166 | \$27,522,648,785 |
| Unique Beneficiaries | 1,696,135 | 1,763,410 | 1,760,040 | 1,781,875 | 1,840,874 |
| Days of Hospice | 127,634,185 | 128,931,875 | 131,235,196 | 138,575,302 | 147,724,633 |
| Average (mean) Payments per Beneficiary | \$13,029.25 | \$13,062.46 | \$13,325.90 | \$14,110.22 | \$14,950.86 |
| Average (mean) Payments per Day | \$173 | \$179 | \$179 | \$181 | \$183 |

Source: Analyses of Medicare FFS hospice claims (Accessed from CCW VRDC on January 13, 2025)

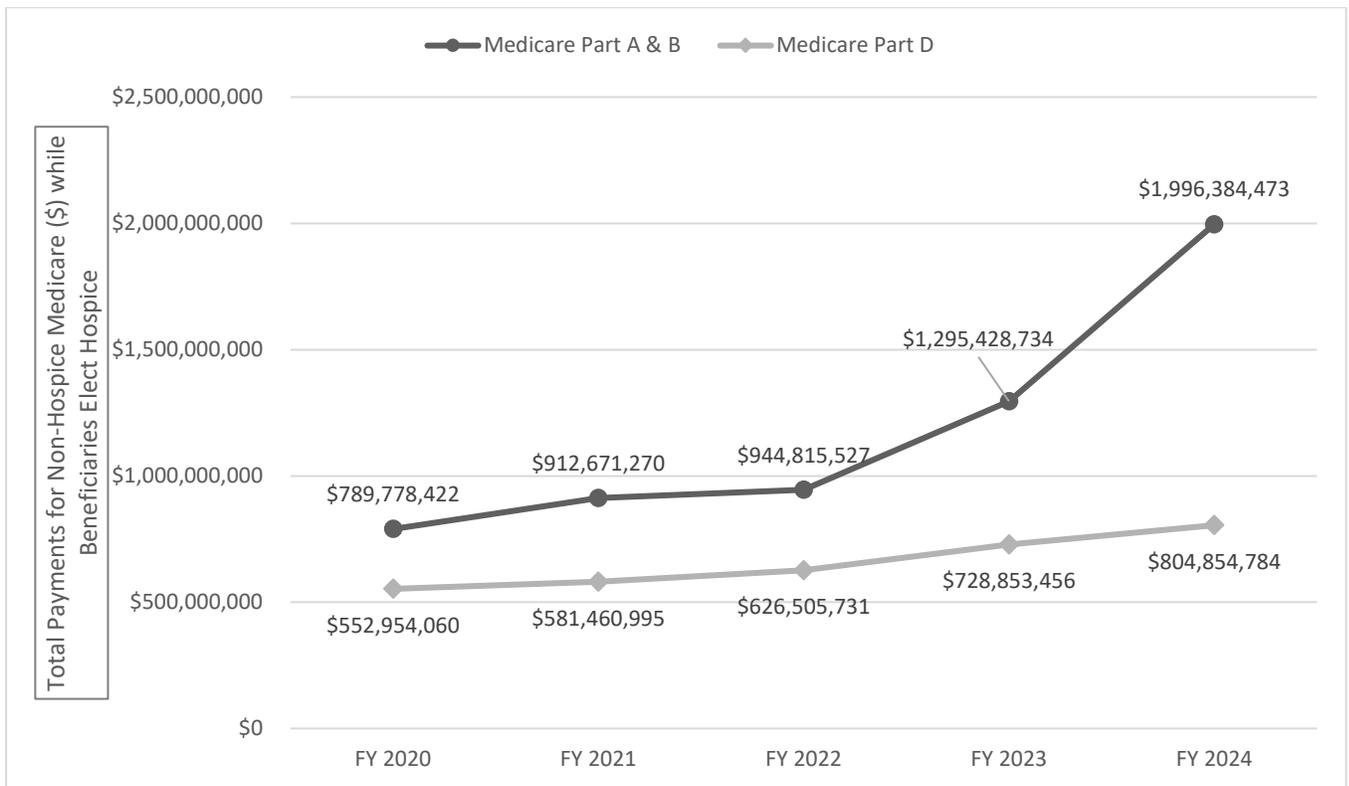
Key Takeaways:

- The number of beneficiaries using hospice has increased from FY 2020 through FY2024. The number of days of hospice and total hospice payments have also increased during the same time period.
- Average payments per day and average payments per beneficiary have increased from FY 2020 through FY 2024.

Exhibit 6 Methodology:

Hospice payments only include payments on Medicare hospice claims. Refer to the Overall Methodology section of this report for additional details.

Exhibit 7. Medicare Non-Hospice Spending for Medicare Hospice Users for FYs 2020-2024



Source: Analyses of Medicare FFS hospice claims (Accessed from CCW VRDC on January 13, 2025)

Key Takeaways:

- Total non-hospice payments have increased from FY 2020 through FY2024, in part due to the increased number of hospice users during this time.
- The large increase in Part A & B spending is largely driven by a small percentage of Part B claims becoming more expensive. For example, we found that the average payment associated with physician and carrier claims in the 99th percentile increase from \$758.82 in FY 2023 to \$1,469.58 in FY 2024. When removing the top and bottom 1% of claims by spending, there is minimal growth in Part A and B spending between FY 2023 and FY 2024.

Exhibit 7 Methodology:

For Part A & B spending, payments are based on estimated total non-hospice Medicare utilization payments per hospice service day, excluding utilization on hospice admission or live discharge days. Only Medicare paid amounts are included. The Medicare paid amounts were equally apportioned across the length of each claim and only the days that overlapped a hospice election (not including hospice admission or live discharge days) were counted.

For Part D spending, The Medicare paid amounts were assigned to hospice days based on the service date on the Part D prescription drug event (PDE). Only service dates that fell within a hospice election and were not hospice

admission or live discharge days were counted. The Medicare paid amount includes the low-income cost-sharing subsidy and covered drug plan paid amount on Part D PDEs.

Refer to the Overall Methodology section of this report for additional details.

Exhibit 8. Per Beneficiary Medicare Non-Hospice Spending (Parts A & B) for Medicare Beneficiaries who Elect Hospice for FYs 2020-2024

| | FY 2020 | FY 2021 | FY 2022 | FY2023 | FY2024 |
|---|----------------|----------------|----------------|----------------|----------------|
| Unique Hospice Beneficiaries | 1.7 million | 1.8 million | 1.8 million | 1.8 million | 1.8 million |
| Number of Hospice Days | 126.0 million | 127.6 million | 130.3 million | 137.8 million | 147.2 million |
| Percent Beneficiaries with Non-Hospice Utilization | 46.4% | 46.9% | 46.1% | 46.6% | 45.0% |
| Total Hospice Claim Payments | \$21.7 billion | \$22.6 billion | \$23.1 billion | \$24.7 billion | \$27.2 billion |
| Total Non-Hospice Payments (Parts A & B) | \$0.8 billion | \$0.9 billion | \$0.9 billion | \$1.3 billion | \$2.0 billion |
| Average Daily Hospice Payments | \$171.82 | \$177.32 | \$177.39 | \$180.15 | \$184.90 |
| Average Daily Non-Hospice Payments (Parts A & B) | \$6.27 | \$7.15 | \$7.25 | \$9.40 | \$13.57 |

Source: Analyses of Medicare FFS hospice claims (Accessed from CCW VRDC on January 13, 2025)

Key Takeaways:

- Every fiscal year, almost half of all Medicare beneficiaries that elect hospice also utilize non-hospice services billed to Medicare during their election, which totaled almost \$2.0 billion in FY2024.
- In FY2024, the average daily payment for non-hospice utilization during hospice election was \$13.57, approximately 7% of the average per-day hospice payment, \$184.90.

Exhibit 8 Methodology:

Using hospice claims, we cross-referenced hospice election dates (excluding admission and live discharge "boundary" days) against all other non-hospice claims' dates of service: the inpatient, skilled nursing, home health, DME (durable medical equipment), outpatient, and the carrier/physician supply files. We matched non-hospice claims to hospice election periods based on the from date (start date) of a claim. After identifying overlapping non-hospice claims, we equally apportioned the Medicare paid amounts across the length of each claim, and when totaling (apportioned) payments, we only counted the days that overlapped a hospice election (again, we did not include hospice admission or live discharge days).

We counted hospice beneficiaries uniquely in each fiscal year (i.e., those individuals with multiple elections due to live discharges and returns were only counted once in total for all fiscal years in which they elected hospice). Average daily payments are based on the total number of hospice service days in the fiscal year for all beneficiaries (even those without any non-hospice utilization). Non-hospice payments include all hospice users (even hospice users that do not have non-hospice payments).

Refer to the Overall Methodology section of this report for additional details.

Exhibit 9a. Number of Beneficiaries by Principal Diagnosis Category for FYs 2020-2024

| Principal Diagnosis Category | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|--|---------|---------|---------|---------|---------|
| Alzheimer's, Dementia, or Parkinson's | 408,391 | 418,129 | 428,233 | 440,278 | 408,744 |
| Cancers | 410,293 | 412,704 | 407,540 | 413,312 | 418,847 |
| Cardiac (e.g., Congestive Heart Failure (CHF)) | 315,597 | 324,659 | 329,112 | 344,994 | 362,724 |
| Respiratory (e.g., Chronic Obstructive Pulmonary Disease (COPD)) | 179,459 | 183,148 | 182,220 | 184,288 | 187,066 |
| Cerebral Vascular Accident (CVA)/Stroke | 172,754 | 180,861 | 186,162 | 191,640 | 202,951 |
| Chronic Kidney Disease (CKD)/End-Stage Renal Disease (ESRD) | 38,565 | 39,440 | 38,762 | 37,836 | 38,126 |
| Other | 199,806 | 240,411 | 228,154 | 215,252 | 274,024 |

Source: Analyses of Medicare FFS hospice claims (Accessed from CCW VRDC on January 13, 2025)

Exhibit 9b. Percentage (within a year) of Beneficiaries by Principal Diagnosis Category for FYs 2020-2024

| Principal Diagnosis Category | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|--|---------|---------|---------|---------|---------|
| Alzheimer's, Dementia, or Parkinson's | 23.7% | 23.2% | 23.8% | 24.1% | 21.6% |
| Cancers | 23.8% | 22.9% | 22.6% | 22.6% | 22.1% |
| Cardiac (e.g., Congestive Heart Failure (CHF)) | 18.3% | 18.0% | 18.3% | 18.9% | 19.2% |
| Respiratory (e.g., Chronic Obstructive Pulmonary Disease (COPD)) | 10.4% | 10.2% | 10.1% | 10.1% | 9.9% |
| Cerebral Vascular Accident (CVA)/Stroke | 10.0% | 10.1% | 10.3% | 10.5% | 10.7% |
| Chronic Kidney Disease (CKD)/End-Stage Renal Disease (ESRD) | 2.2% | 2.2% | 2.2% | 2.1% | 2.0% |
| Other | 11.6% | 13.4% | 12.7% | 11.8% | 14.5% |

Source: Analyses of Medicare FFS hospice claims (Accessed from CCW VRDC on January 13, 2025)

Key Takeaways:

- "Alzheimer's, Dementia, or Parkinson's" as a category has been eclipsed in term of beneficiaries by "Cancers" in FY 2024 for the first time since FY 2020.
- Chronic Kidney Disease (CKD)/End-Stage Renal Disease (ESRD) is the diagnostic category with the fewest beneficiaries.
- The percentage of beneficiaries within each diagnostic category remains fairly consistent from FY 2020 through FY 2024.

Exhibit 9 Methodology:

The frequencies and percentages shown represent beneficiaries that had at least one hospice claim with a principal diagnosis that matches the diagnostic category. Beneficiaries could be represented multiple times in the results if they had multiple hospice claims with different diagnostic categories during a particular fiscal year.

Refer to the Overall Methodology section of this report for additional details.