oppaga
OFFICE OF PROGRAM POLICY ANALYSIS & GOVERNMENT ACCOUNTABILITY

March 2006 **Report No. 06-29**

Florida's Certificate of Need Process Ensures Qualified Hospice Programs; Performance Reporting Is Important to Assess Hospice Quality

at a glance

Hospice care is an alternative to the traditional medical model for end-of-life care. Florida's hospice programs provide professional medical services to help patients die peacefully and painlessly. These services are available to any patient who meets certain diagnostic criteria, regardless of ability to pay. In 2004-05, the majority of patients served by Florida hospices were age 65 and older and more than one-third were diagnosed with cancer. Medicare and Medicaid reimbursed 93% of patient care costs, with another 4.5% paid by private health insurance and self-pay patients. The remaining 2.5% of patient care costs was covered by hospice programs as charity care.

Florida's method of regulating hospice programs differs from other states in two major ways. Florida is the only state that requires new hospice programs to operate as not-for-profit corporations, and is 1 of 12 states that comprehensively regulates the growth of hospice programs using a Certificate of Need process. Should the Legislature decide to allow new for-profit hospice programs to operate in Florida, it should continue to require that new programs be approved through the Certificate of Need process.

Scope

Pursuant to a legislative request, OPPAGA reviewed Florida's hospice care for terminally ill patients. This report addresses four questions.

- What types of services do Florida hospice programs provide?
- What types of clients are served by Florida's hospice programs?
- How are hospice programs in Florida financed?
- How does Florida's method for regulating hospice programs differ from other states?

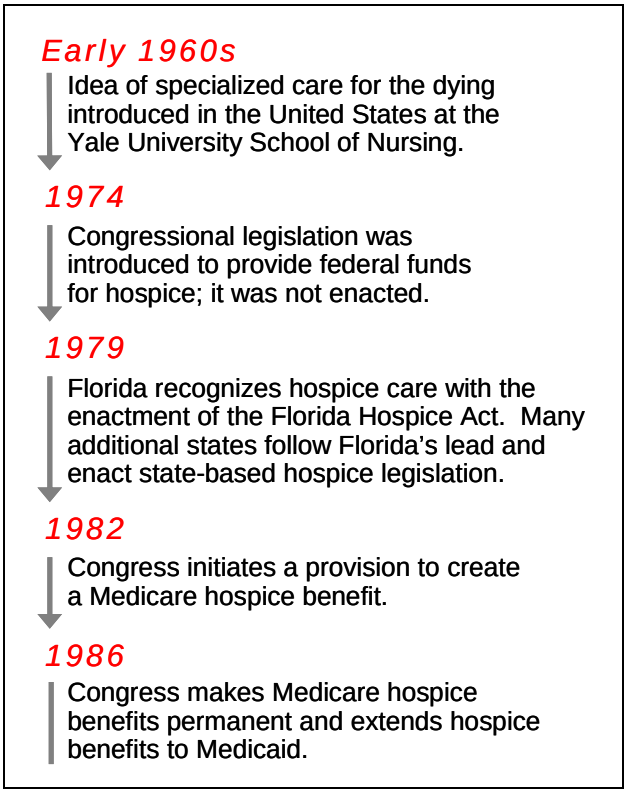
Background

Hospice care is an alternative approach to the traditional medical model for end-of-life care. Hospice programs specialize in providing basic medical care, palliation and pain management, and social, psychological, and spiritual support to terminally ill individuals and their families.[1] Hospice care focuses on providing end-of-life care that allows patients to die with dignity and free of pain. It also provides support to patients' families in caring for their loved ones and in the grieving process.

[1] Palliation refers to care that relieves or soothes symptoms of disease.

Hospice care has evolved from a charitable service into a reimbursable service covered by Medicare, Medicaid, and most private health insurance plans. The concept of hospice care was introduced to this country in the 1960s by a British physician. While Congress considered federal legislation in 1974, Florida became the first state to officially recognize hospice care as a medical alternative for terminally ill individuals with the Florida Hospice Act in 1979. [2] This act served as the model for the federal government in developing Medicare and Medicaid hospice benefits. In 1986, Congress made hospice payments available to all Medicare clients and approved hospice services as an optional service for Medicaid. Nationally, approximately 1.1 million people used hospice services in 2004. Exhibit 1 shows the evolution of hospice care in Florida and nationally.

Exhibit 1
Hospice Care Has Evolved into a Medicare- and Medicaid-Reimbursable Benefit



Source: National Hospice and Palliative Care Organization and Hospice Foundation of America.

[2] Chapter 79-186, *Laws of Florida.*

In Fiscal Year 2004-05, Florida hospice programs provided approximately 6.5 million days of patient care to more than 98,000 individuals with terminal illnesses for an estimated cost of $1.1 billion. [3] As of March 2006, 55 hospice programs operated in Florida's 27 hospice service areas. [4] Twelve of these areas are served by a single provider while the remaining 15 areas are served by multiple hospice programs. (See Appendix A.)

With one exception, Florida law requires hospice programs to operate as not-for-profit corporations. Hospice programs incorporated on or before July 1, 1978, may change their corporate status to a for-profit or not-for-profit entity and transfer licensure to that entity, while programs incorporated after this date must operate as not-for-profit organizations. [5] Per this provision, seven of the 55 hospice programs in Florida currently operate as for-profit entities; these seven programs are owned by a single corporation.

Both the Department of Elder Affairs (DOEA) and the Agency for Health Care Administration (AHCA) have responsibilities for Florida hospice programs. DOEA establishes rules in consultation with AHCA to guide provision of hospice care, and AHCA regulates hospice programs through a Certificate of Need (CON) process and licensure. [6, 7] Potential hospice programs generally apply for a CON to operate in Florida after AHCA determines that an unmet need exists. [8, 9] The CON process regulates the number of hospice programs that can operate in Florida and requires programs to demonstrate their expertise, financial capacity, and commitment to

[3] Florida hospice-specific data presented in this report was generated from an OPPAGA survey of Florida hospice programs regarding their 2004-05 fiscal year operations. Four hospice programs were not included in the survey because they had not been operating for a full year. Forty-six out of 51 hospice programs receiving the survey responded for a response rate of 90%. OPPAGA used regression based on survey responses to estimate total annual costs.

[4] This represents 55 separate programs operating under 43 licensed corporations.

[5] Section 400.602(5), *F.S.*

[6] Sections 400.605 and 408.032(3), *F.S.*

[7] Chapter 58A-2, *F.A.C.*

[8] A hospice program also may submit an application demonstrating a special need for hospice services, such as serving an underserved segment of the population even if AHCA has not projected unmet need.

[9] Hospice programs must also apply for and receive a Certificate of Need in order to build a freestanding hospice inpatient facility.

serve terminally ill individuals and their families as well as the communities in which they live.

After receiving a CON, hospice programs must apply for and receive state licensure as well as certification from Medicare and Medicaid which require that they meet minimum standards to ensure safety, staffing qualifications, and level of services. [10, 11, 12] AHCA conducts licensure inspections every year for the first three years and every two years thereafter if there are no deficiencies or problems. If AHCA finds deficiencies, the hospice program must develop a corrective action plan to correct the deficiency within a reasonable amount of time. AHCA conducts federal Medicare and Medicaid certification reviews at least once every six years.

Some hospice programs also may choose to become accredited. Several national organizations offer accreditation programs to the hospice industry. These include the Accreditation Commission for Health Care, Inc.; the Community Health Accreditation Program; and the Joint Commission on Accreditation of Healthcare Organizations. Based on our survey of hospice programs, 18 of Florida's programs were accredited in Fiscal Year 2004-05. [13]

[10] Although federal guidelines require minimum standards, Florida's licensure laws require more frequent inspections of hospice programs.

[11] It typically takes between 120 and 150 days for AHCA to issue a license after receiving a hospice application.

[12] AHCA licensure staff are responsible for conducting an unannounced inspection of every newly licensed hospice to ensure that the program meets required Medicare and Medicaid certification conditions.

[13] One hospice program held accreditation by the Accreditation Commission for Health Care, 13 held accreditation by the Joint Commission on Accreditation of Healthcare Organizations, and 4 held accreditation by the Community Health Accreditation Program. Three other hospice programs are preparing for accreditation by the Community Health Accreditation Program.

Questions and Answers

What types of services do Florida hospice programs provide?

Hospice programs in Florida provide a variety of services to meet the medical, social, psychological, and spiritual needs of terminally ill patients and their families. Both state and federal law mandate that hospice programs provide a set of core services including needed medical care, pain management and palliation, and bereavement care and counseling to help patients and families deal with the emotional aspects of dying. Exhibit 2 details these core services.

Exhibit 2
Florida Law and Federal Medicare and Medicaid Regulations Require Florida Hospices to Deliver the Core Services Listed Below

Service	Requirements
Nursing Care	Care provided by or under the direction of a registered nurse
Medical Social Services	Services provided by a social worker under the direction of a physician
Physicians' Services	Medical care performed by a doctor of medicine or osteopathy
Counseling Services	Counseling provided to the patient and family members or others caring for the patient at home, including bereavement, dietary, and spiritual counseling
Short-Term Inpatient Care	Inpatient care provided in a participating hospice inpatient unit, hospital, or skilled nursing facility for pain management and symptom control or a means of providing respite for the patient's family or other persons caring for the patient at home
Medical Appliances and Supplies, Including Drugs and Biologicals	Medical supplies provided for the care of the patient, which may include durable medical equipment, medical supplies, and other self-help and personal comfort items, as well as drugs and biologicals if they are used primarily for the relief of pain and symptom control related to the illness
Home Health Aide Services	Home health aide, such as personal care and homemaker services, provided by qualified home health staff
Physical Therapy, Occupational Therapy, and Speech-Language Pathology Services	Therapies provided to enable the patient to maintain activities of daily living and basic functional skills

Source: Center for Medicare and Medicaid Services, Hospice Manual, Chapter 2, Coverage of Services; Section 400.609, *Florida Statutes*.

In addition to the core services, all Florida hospice programs offer ancillary services that the programs consider essential to patients' care although not reimbursable by Medicare, Medicaid, or private health insurance. These ancillary services can include programs that benefit patients and their families as well as community programs such as crisis intervention and school bereavement counseling. See Exhibit 3 for a list of the ancillary services commonly offered by Florida hospice programs.

Exhibit 3
Florida Hospice Programs Offer Ancillary Services to Patients, Families, and the Community

Commonly Offered Ancillary Services	Percentage of Programs Offering Service
Community Bereavement Programs	93%
Massage Therapy	63%
School Bereavement Programs	60%
Pet Therapy	58%
Community-Based Crisis Intervention	54%
Financial Assistance Programs	50%
Pre-Hospice Services	47%
Music Therapy	45%

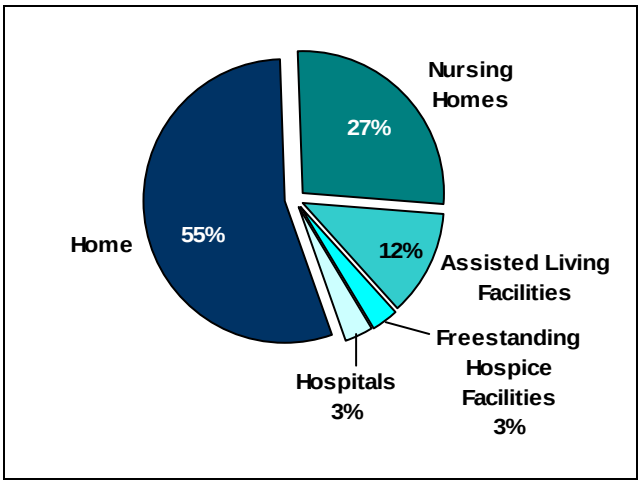
Source: OPPAGA hospice survey.

Hospice programs use an interdisciplinary team approach to provide services. This team is composed of a physician, registered nurse, social worker, chaplain, and volunteer. During the admission process a member of the team conducts a physical and psychosocial assessment of the patient's medical, physical, social, psychological, and spiritual needs. Based on this assessment, a hospice nurse develops a plan of care with the patient and his or her family and coordinates the delivery of services.

While most of the services provided to hospice patients are delivered by paid staff, some are delivered by volunteers. Medicare and Medicaid regulations require that hospice programs use volunteers to provide at least 5% of their patient care hours, and hospice administrators emphasize the importance of volunteers to their programs. Nearly 21,300 individuals volunteered over 1.7 million hours of service to hospice patients during Fiscal Year 2004-05 in the 46 programs that responded to our survey.

Hospice care is typically provided to patients in their own homes or residences such as nursing homes or assisted living facilities. As shown in Exhibit 4, almost all (94%) of Florida hospice care was provided in these settings during Fiscal Year 2004-05. Of the remaining 6%, 3% was provided in hospitals and 3% was provided in freestanding hospice facilities. Freestanding hospice facilities can be used for either residential or inpatient purposes. Freestanding residential hospice facilities provide a home-like setting for patients who do not wish to die in their own homes or provide patient care to give respite breaks for caregivers. Freestanding inpatient hospice facilities provide more intense medical care.[14] Twenty-three hospice programs in Florida operate one of these freestanding facilities.

Exhibit 4
Hospice Programs Primarily Provide Care in the Patient's Residence



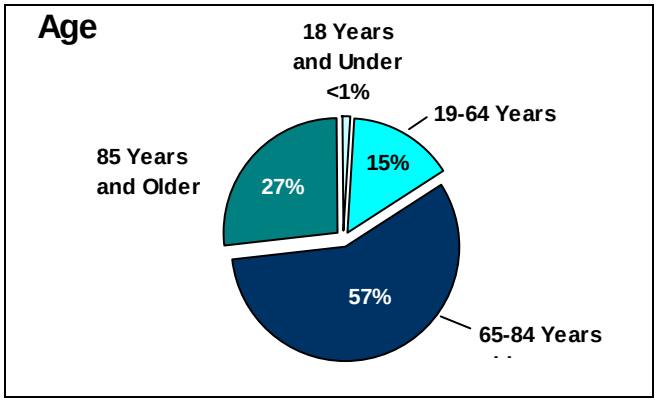
Source: OPPAGA hospice survey.

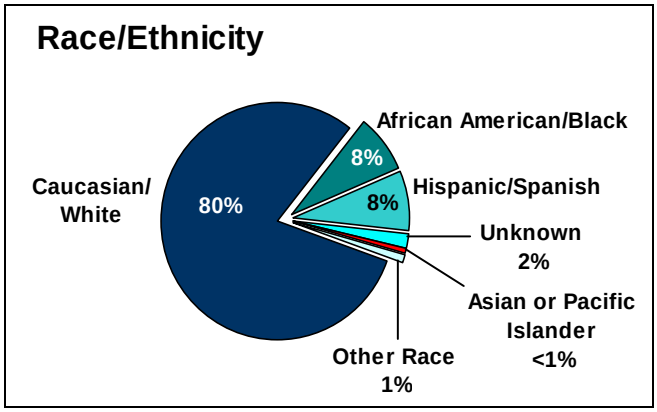
[14] Such care may be necessary to stabilize patients or adjust pain management. Short-term higher-level care also may be available through 24-hour continuous home care.

What types of clients are served by Florida's hospice programs?

Hospice programs serve patients who meet certain diagnostic criteria, regardless of their age or ability to pay. To be eligible for hospice services in Florida, patients must receive a referral from their attending or primary physician for hospice care based on a diagnosis of a terminal illness with a life expectancy of one year or less. [15] Patients also must elect to receive palliative rather than curative treatment. [16] In Fiscal Year 2004-05, most (84%) of the patients served by hospice programs were age 65 and older and 80% were Caucasian (see Exhibit 5). Slightly over half (53%) of the patients were women while 47% were men.

Exhibit 5
The Majority of Patients Served in Fiscal Year 2004-05 Were Age 65 or Older and Caucasian

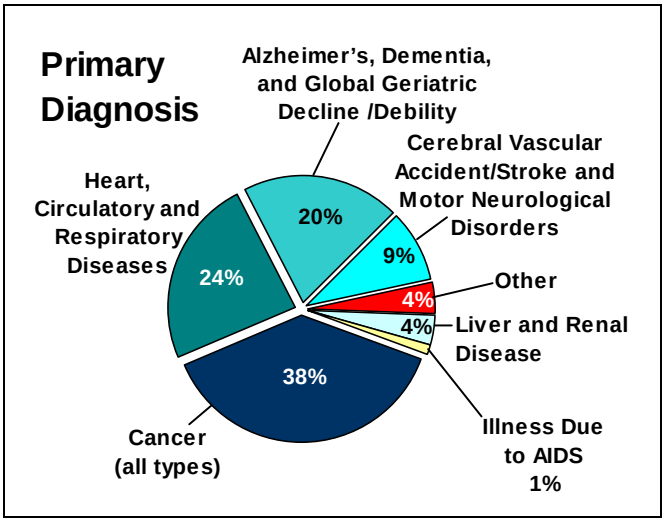




Source: OPPAGA hospice survey.

The majority of patients served by Florida hospices in Fiscal Year 2004-05 had primary diagnoses of cancer; heart or respiratory diseases; or conditions related to aging, such as Alzheimer's, dementia, or geriatric decline. (See Exhibit 6.) To a lesser extent, patients had primary diagnoses of stroke, neurological disorders, renal failure, or illness due to AIDS.

Exhibit 6
Patients with Cancer Accounted for the Largest Percentage of Those Served by Florida Hospice Programs in Fiscal Year 2004-05



Source: OPPAGA hospice survey.

Although Florida's hospice programs can serve patients who are terminally ill with a life expectancy of one year or less, they rarely do so, and most patients receive hospice services for less than three months. [17] This is because physicians typically do not refer patients to a hospice program until the very end of their illnesses, when they may have only weeks or days left to live. Exhibit 7 shows the average length of stay of Florida hospice patients, by diagnoses. [18]

[15] Section 400.601(10), *F.S.*

[16] Curative care provides treatment to cure or remedy an illness or disease while palliative care relieves or soothes the symptoms of an illness or disease without affecting a cure.

[17] While Florida law allows hospices to serve patients that have a life expectancy of one year or less, federal Medicare guidelines specify that hospice patients have a life expectancy of six months or less.

[18] The median length of stay (MLOS) for all diagnoses was 23 days. The MLOS is often a more accurate gauge in understanding the experience of typical hospice patients.

Exhibit 7
Most Hospice Patients Receive Less Than 90 Days of Care

Primary Diagnosis	Average Length of Stay (Days)
Alzheimer's, Dementia and Global Geriatric Decline/Debility	83
Heart, Circulatory and Respiratory Diseases	65
Cerebral Vascular Accident/Stroke and Motor Neurological Disorders	57
Cancer (all types)	50
Illness due to AIDS	46
Liver and Renal Disease	32
Other	27

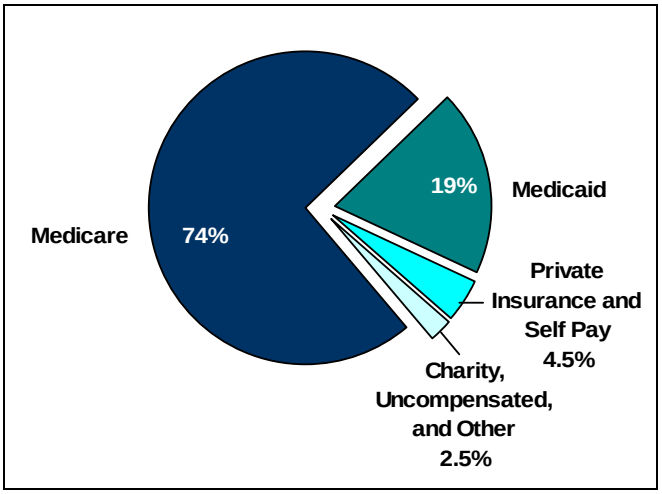
Source: OPPAGA hospice survey.

How are hospice programs in Florida financed?

Hospice programs are financed through reimbursements for patient care; revenues from charitable contributions and fundraising; and other sources, such as investment income and grant funding. Hospice programs receive reimbursements for patient care from Medicare and Medicaid, private insurance, and self-pay patients. Hospice programs can hold community fundraisers or receive charitable contributions, such as contributions in the form of cash and property, donated services, memorial gifts, and planned or willed bequests. [19, 20] In Fiscal Year 2004-05, 93.4% of the revenues reported by the 36 hospice programs that responded to this section of our survey were from patient care reimbursement, 6.3% were from charitable contributions, and less than 1% were from other sources. These 36 programs received a total of $842.2 million in reimbursements, ranging from $651,600 to $97 million, and collected $57.1 million in contributions, ranging from $8,500 to $8.5 million.

In Fiscal Year 2004-05, Florida hospice programs received reimbursement for most (97.5%) of the patient care they provided. Medicare and Medicaid paid for 93% of patient care, while private health insurance and self-paying patients paid for 4.5% of patient care. Hospice programs provided 2.5% of uncompensated or charity care. (See Exhibit 8.)

Exhibit 8
Medicare and Medicaid Reimbursed Hospice Programs for 93% of Patient Care in Fiscal Year 2004-05



Source: OPPAGA hospice survey.

Medicare and Medicaid, which reimbursed 93% of the patient care in Fiscal Year 2004-05, use per-diem rates that vary depending on the level of care provided. As shown in Exhibit 9, for each day of patient care, hospice programs currently receive one of four daily rates which range from $126.49 to $738.26, depending on the individual needs of patients and their families. The two lower rates are for routine hospice care provided at the patient's residence and for routine care provided at an inpatient facility such as a hospital or skilled nursing facility. Hospice programs bill the inpatient respite rate when a patient's caregiver needs a break from caring for the patient and the hospice assumes the responsibilities of the caregiver for up to five days. General inpatient care provided at a facility and continuous hospice care provided at the patient's residence are reimbursed at higher rates to pay for more intense medical care.

[19] Some hospice programs establish foundations to organize fundraising efforts; manage, invest, and distribute charitable funds and donations; and support community activities. Balances for not-for-profit hospice foundations ranged from $1.4 to $25 million in 2004.

[20] Hospice programs typically use these monies to subsidize care for patients with no source of income or to provide ancillary services.

Exhibit 9
Medicare and Medicaid Per-Diem Rates for Hospice Services Range from $126.49 to $738.26

Payment Category	General Description	Rate Per Day [1]
Routine Hospice Care	A typical day of care provided by a hospice program	$126.49
Inpatient Respite Care	Inpatient care provided when the patient's primary caregiver requires relief and is limited to a maximum of five consecutive days per respite period	$130.85
General Inpatient Care	Inpatient care provided when a patient's symptoms cannot be treated in the residence	$562.69
Continuous Hospice Care	Continuous care provided in the home for at least 8 hours within a 24-hour period, which is primarily nursing care	$738.26 (or $30.76 per hour)

[1] The payment rate is adjusted by a wage index, which varies based on the patient's residence to account for geographic differences in wage costs.

Source: CMS Pub 100-4, Medicare Claims Processing, Transmittal 663, August 26, 2005 and GAO 05-42, Medicare Hospice Care: Modifications to Payment Methodology May Be Warranted, October 2004.

How does Florida's method for regulating hospice programs differ from other states?

Two major differences exist between how Florida and most other states regulate hospice programs. Florida is the only state that requires new hospice programs to operate as not-for-profit corporations and is 1 of 12 states that comprehensively regulates the growth of hospice programs using a Certificate of Need (CON) process. (See Appendix B.) We did not find conclusive evidence that hospice care in Florida or in other states is affected by ownership status. Should the Legislature decide to allow new for-profit hospice programs to operate in Florida, it should continue to require such programs be approved through the CON process to ensure only qualified programs enter the state. [21]

Ownership status does not appear to affect hospice care in Florida or in other states; however, information is limited. Hospice officials that we interviewed in other states, which authorize both not-for-profit and for-profit hospices to operate, reported that they had no evidence to indicate that ownership status affects hospice care, and these states had not experienced any problems with hospice care related to ownership status. [22] In addition, based on our review, we did not note any significant differences in Florida between for-profit and not-for-profit programs in the provision of hospice services, such as the types and delivery of services or the types of patients served.

However, information about ownership status and quality of hospice care in Florida and in other states is limited. The other states that we contacted had not analyzed quality of care by ownership status. In addition, we did not find a significant difference in the number of complaint allegations received by AHCA between for-profit and not-for-profit programs in Florida; however, the total number of hospice allegations was small. [23] Although Florida hospices programs must annually report information to DOEA, such as patient days, reimbursement sources, and primary patient diagnoses, these data are not useful for assessing quality of care or for assessing differences in quality of care based on ownership status. In addition, while a few studies exist on hospice care and ownership status, results vary and are inconclusive. [24]

Because the use of hospice services will likely increase in Florida as the population continues to age, it will be increasingly important for the Legislature and other stakeholders to obtain information about the quality of care provided by the state's hospice programs. To ensure that such information is collected, the Legislature should direct AHCA and DOEA to work with Florida

[21] Section 400.602(5), *F.S.,* allows hospice programs that were operating and incorporated before July 1, 1978, to transfer their license to a for-profit or not-for-profit entity. Currently, seven hospice programs operate as for-profit corporations under this provision.

[22] The eight states contacted, Alabama, Illinois, Maryland, Virginia, Ohio, Tennessee, Texas, and California, are similar to Florida in size and/or elderly population.

[23] From August 2002 through July 2005, the agency received a total of 279 allegations, of which the agency confirmed only 9% (25) and required the hospice programs to take corrective action.

[24] For example, one study reported that for-profit hospice patients had longer lengths of stay and were admitted into hospice sooner than patients in not-for-profit hospices. However, the study was not conclusive as to why this occurred and did not address whether this difference affected quality of care.

hospice programs to develop standardized quality and outcome measures and a mechanism for collecting and maintaining this information. Such measures also will be useful in meeting proposed Medicare rules for quality assessment and performance improvement requirements.[25] In addition, Florida hospice programs should consider participating in national initiatives to benchmark quality such as those developed by the National Hospice and Palliative Care Organization.[26] Once data is collected, AHCA, DOEA, stakeholders, and the Legislature, can use this information to ensure that all Florida hospice programs provide high quality care and to assess whether differences in quality of hospice care exist based on ownership status or other variables of interest.

Florida's Certificate of Need process is important to ensure that only qualified hospice programs enter the state. Should the Legislature decide to allow new hospice programs to operate as for-profit entities in Florida, it should maintain the Certificate of Need (CON) process. This process ensures that new hospice programs have the expertise, financial resources, and commitment to meet the needs of their communities. In addition, this process ensures that new programs operate only in areas of the state where existing hospice programs are not meeting current needs. AHCA has reviewed and is currently modifying its methodology for identifying areas of the state where existing programs may not be meeting the need for hospice services.

[25] Section 418.58, Quality assessment and performance improvement, of Part II, 42 CFR Part 418, Federal Register, Medicare and Medicaid Programs: Hospice Conditions of Participation; Proposed Rule, May 27, 2005. This rule, if promulgated, would require all hospice programs to implement an outcomes-based internal performance improvement program that measures individual patient outcomes in order to continually improve the quality of care provided to patients and their families.

[26] These initiatives include the Family Evaluation of Hospice Care survey, maintenance of a national data set, and development of end result outcome measures and are coordinated by the National Hospice and Palliative Care Organization (NHPCO), which represents hospice and palliative care programs and professionals in the United States. Of the 46 hospice programs that responded to our survey, 45 stated that they are members of NHPCO and 29 stated that they participate in one of the NHPCO quarterly surveys.

Appendix A

Florida Hospice Programs Deliver Care in 27 Service Areas Covering All 67 Counties

The map below shows Florida's 27 geographic service areas for allocation of hospice services. These service areas are established by local area health councils and may include one or more counties. As of March 2006, Florida had 55 hospice programs operating under 43 licensed corporations. Twelve of the service areas are served by a single hospice program, while the remaining areas are served by multiple programs. Hospice programs may only provide services to residents within the geographic boundaries of their service area. See Table A-1 on the following page for a list of the counties and hospice programs in each service area.

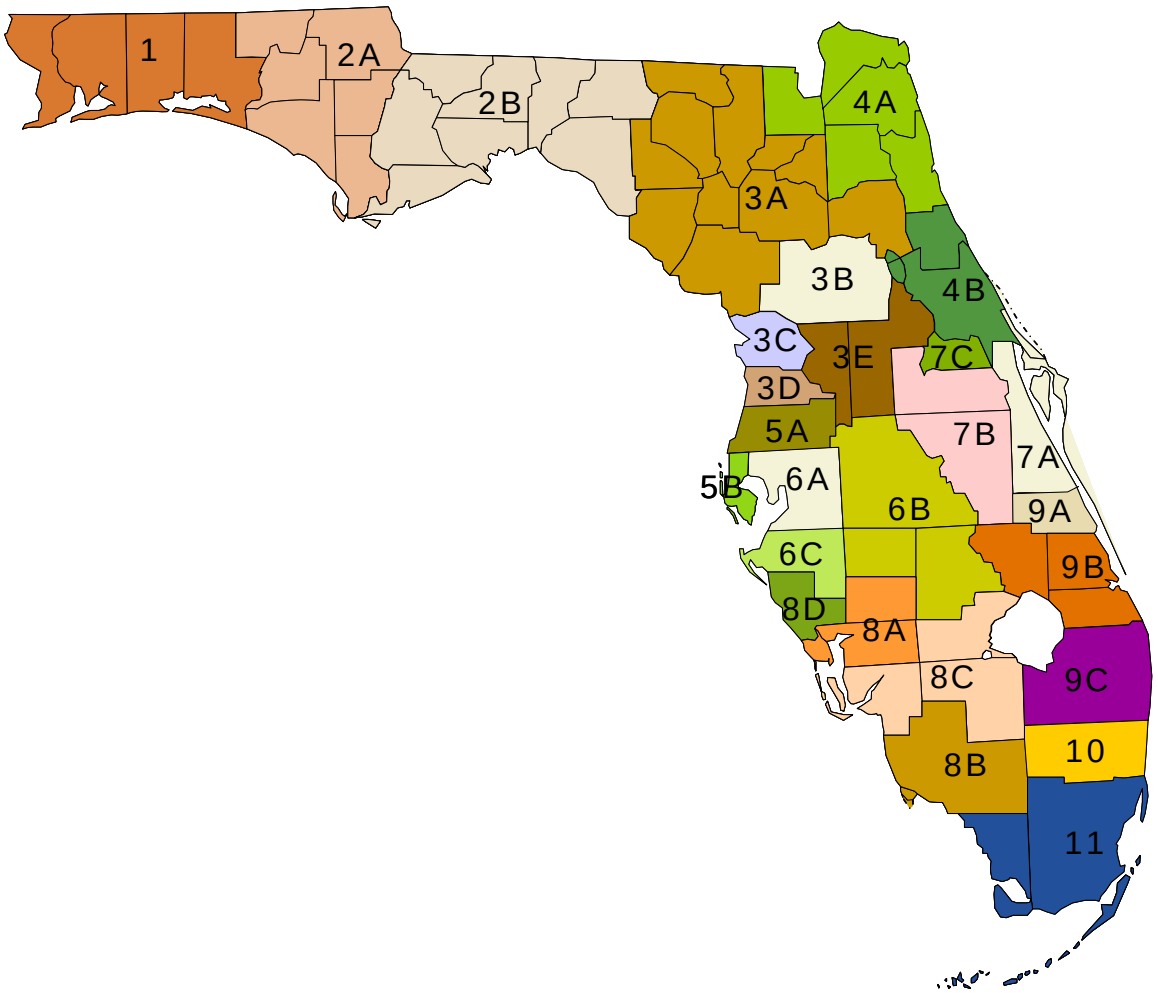


Table A-1
Fifty-Five Licensed Hospice Programs Serve 27 Geographic Service Areas in Florida

Area	County	Hospice Program
1	Escambia, Okaloosa, Santa Rosa, Walton	Covenant Hospice, Inc. Hospice of the Emerald Coast
2A	Bay, Calhoun, Gulf, Holmes, Jackson, Washington	Covenant Hospice, Inc. Hospice of the Emerald Coast
2B	Franklin, Gadsden, Jefferson, Leon, Liberty, Madison, Taylor, Wakulla	Big Bend Hospice Covenant Hospice, Inc.
3A	Alachua, Bradford, Columbia, Dixie, Gilchrist, Hamilton, Lafayette, Levy, Putnam, Suwannee, Union	Haven Hospice of North Central Florida
3B	Marion	Hospice of Marion County
3C	Citrus	Hernando-Pasco Hospice, Inc. Hospice of Citrus County
3D	Hernando	Hernando-Pasco Hospice, Inc.
3E	Lake, Sumter	Hospice of Lake and Sumter
4A	Baker, Clay, Duval, Nassau, St. Johns	Community Hospice of Northeast Florida, Inc. Hospice of North Central Florida
4B	Flagler, Volusia	Florida Hospital Memorial Hospice Care Halifax Hospice of Volusia-Flagler, Inc. Hospice of the Palm Coast VITAS Healthcare Corporation of Central Florida
5A	Pasco	Gulfside Regional Hospice Hernando-Pasco Hospice
5B	Pinellas	Hospice of the Florida Suncoast
6A	Hillsborough	LifePath Hospice and Palliative Care, Inc.
6B	Hardee, Highlands, Polk	Cornerstone Hospice LifePath Hospice and Palliative Care, Inc. (Doing business as Good Shepard Hospice)
6C	Manatee	Tidewell Hospice of Southwest Florida
7A	Brevard	Hospice of Health First Hospice of St. Francis VITAS Healthcare Corporation of Central Florida Wuesthoff Brevard Hospice and Palliative Care
7B	Orange, Osceola	Hospice of the Comforter Hospice of Lake and Sumter, Inc. Hospice of Orange-Osceola VITAS Healthcare Corporation of Central Florida
7C	Seminole	Hospice of the Comforter VITAS Healthcare of Central Florida
8A	Charlotte, DeSoto	Tidewell Hospice of Southwest Florida
8B	Collier	Hospice of Naples
8C	Glades, Hendry, Lee	HOPE Hospice and Palliative Care
8D	Sarasota	Tidewell Hospice of Southwest Florida
9A	Indian River	VNA Hospice of Indian River County
9B	Martin, Okeechobee, St. Lucie	Hospice of Okeechobee Treasure Coast Hospices
9C	Palm Beach	Hospice By The Sea Hospice of Palm Beach County VITAS Healthcare Corporation of Florida
10	Broward	Hospice Care of Southeast Florida Hospice By The Sea Hospice of Gold Coast Home Health Services VITAS Healthcare Corporation of Florida
11	Dade, Monroe	Catholic Hospice Douglas Gardens Hospice, Inc. Hospice Care of South Florida Hospice Care of Southeast Florida Hospice of the Florida Keys VITAS Healthcare Corporation of Florida

Source: Florida Agency for Health Care Administration.

Appendix B

States Vary in How They Regulate Hospice Care

Florida is the only state that currently requires new hospice programs to operate as not-for-profit corporations and 1 of only 12 states that comprehensively regulates the growth of hospice programs using a Certificate of Need (CON) process for both establishing a hospice program and building a freestanding hospice inpatient facility. Four states require CON only when hospice programs wish to build a freestanding hospice facility. In Fiscal Year 2004-05, most (84%) patients served by hospice programs were age 65 and older. Table B-1 shows each state's over-65 population in 2004 and current hospice care regulations related to corporate ownership and CON requirements.

Table B-1
Florida Is the Only State That Does Not Allow For-Profit Hospice Programs and 1 of 12 States Requires Comprehensive CON Regulations

State	2004 Over 65 Population Estimate	Percentage Age 65 and Over	Allows For-Profit Hospice Programs	Requires CON
Alabama	597,959	13.2%	Yes	Yes[1]
Alaska	41,887	6.4%	Yes	No
Arizona	732,071	12.7%	Yes	No
Arkansas	381,106	13.8%	Yes	Yes
California	3,822,957	10.7%	Yes	No
Colorado	450,971	9.8%	Yes	No
Connecticut	473,693	13.5%	Yes	No
Delaware	108,961	13.1%	Yes	Yes[1]
Florida	2,927,583	16.8%	No	Yes
Georgia	847,082	9.6%	Yes	No
Hawaii	172,008	13.6%	Yes	Yes
Idaho	158,695	11.4%	Yes	No
Illinois	1,520,629	12.0%	Yes	No
Indiana	772,010	12.4%	Yes	No
Iowa	433,139	14.7%	Yes	No
Kansas	354,579	13.0%	Yes	No
Kentucky	519,327	12.5%	Yes	Yes
Louisiana	527,644	11.7%	Yes	No
Maine	189,751	14.4%	Yes	No
Maryland	634,743	11.4%	Yes	Yes
Massachusetts	854,343	13.3%	Yes	No
Michigan	1,246,595	12.3%	Yes	No
Minnesota	615,179	12.1%	Yes	No
Mississippi	352,867	12.2%	Yes	No
Missouri	765,692	13.3%	Yes	No
Montana	126,549	13.7%	Yes	No
Nebraska	231,803	13.3%	Yes	No
Nevada	262,079	11.2%	Yes	No
New Hampshire	156,672	12.1%	Yes	No
New Jersey	1,126,141	12.9%	Yes	No
New Mexico	229,474	12.1%	Yes	No
New York	2,492,816	13.0%	Yes	Yes
North Carolina	1,032,249	12.1%	Yes	Yes
North Dakota	93,171	14.7%	Yes	No
Ohio	1,524,916	13.3%	Yes	No
Oklahoma	464,440	13.2%	Yes	No
Oregon	459,821	12.8%	Yes	Yes[1]
Pennsylvania	1,896,503	15.3%	Yes	No
Rhode Island	150,587	13.9%	Yes	Yes
South Carolina	520,392	12.4%	Yes	Yes[1]
South Dakota	109,493	14.2%	Yes	No
Tennessee	738,053	12.5%	Yes	Yes
Texas	2,216,610	9.9%	Yes	No
Utah	207,711	8.7%	Yes	No
Vermont	80,762	13.0%	Yes	Yes
Virginia	846,921	11.4%	Yes	Yes[1]
Washington	703,145	11.3%	Yes	Yes
West Virginia	278,354	15.3%	Yes	Yes
Wisconsin	715,568	13.0%	Yes	No
Wyoming	61,113	12.1%	Yes	No

[1] Certificate of Need requirement only applies to building a freestanding hospice facility; CON not required to establish a hospice program.

Source: OPPAGA analysis of state hospice regulations and 2004 Population Estimates, U.S. Census Bureau.

The Florida Legislature

Office of Program Policy Analysis and Government Accountability

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