Business Planning *for Palliative Care*

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Hospital-based palliative care is clinically imperative because hospitals remain the site of death for many patients and the majority of people with serious illness spend at least some time in the hospital. The number of people who are dying in institutional settings has been steadily increasing for the past 50 years (50 percent of deaths in 1949, 60 percent of deaths in 1958, and 75 percent of deaths in 1980), [2] contradicting the wishes of many patients who would prefer to die in their home.

Medical spending and care of the seriously ill reached an all-time high of $1.3 trillion in 2001.[2] Eleven percent of U.S. health care dollars are spent in the patient's last year of life, much of it on hospital services.[2] Thirty percent of Medicare dollars are being spent on 5 percent of enrollees with the most serious and complex illnesses, including cancer.[3,4,5] Palliative care services provided in a hospital setting can reduce these costs.[2]

Hospice is an excellent model for managing end-of-life care and needs to be utilized more effectively by care providers. Because most hospice patients refuse life-sustaining interventions, favor palliative care, and are often treated at home, the hospice model of care offers potential health care savings by reducing the use of high-technology interventions at the end of life.[6]

Home hospice care of patients with terminal illness saves between 31 and 64 percent of medical care costs in the last month of life when compared with traditional care.[6,7,8,9,10,11] In the last six months of life, mean medical costs for patients receiving home hospice care were 27 percent less, and those receiving hospital-based hospice care were 15 percent less than conventional care.[6,8,10] These numbers support involving hospice programs in the development of hospital-based palliative care programs

Getting Started

Developing a hospital palliative care program requires a business plan that includes an executive summary, financial summary, assumption pages and models, an operational outline, and project goals and milestones. Data collection is essential for programmatic justification (making the case for palliative services), program maintenance (how the program will be developed and who will pay), clinical assessment (do palliative services improve outcomes), and quality improvement (are less patients being admitted for pain management).[12]

Every business plan must also address the budget implications of offering palliative care services.

Needs assessment. How will potential service volume be determined?

Activities and impact. What services is your palliative program going to offer, and how will these new services affect existing programs and activities?

Staff and resources. Are staff members trained in palliative care available to provide these services? If not, how will new staff be recruited and paid for and how will the hiring of new staff affect existing staff and resources?

Making Your Case

Administrators should be educated about the financial benefits of offering palliative care services. Palliative care can reduce the cost of patient care by managing patients into lower intensity and less expensive beds and reducing expensive ancillary tests. Hospital costs are lowered when a patient transfers out of an intensive care unit to a general medicine unit. Clarifying treatment goals about end-of-life care often helps a patient and family to choose less aggressive care.

When hospitals offer palliative services, multidisciplinary care planning and staff morale improve. Palliative care services ensure that patients receive the "right care at the right time." Because these consults focus on the patient and family and not on interventions, patients can better understand their options and feel more in control of their situation. Palliative care teams can also help identify patients who are having difficulties managing pain and fear, and ensure that these patients do not "fall through the cracks" of a busy health care system.

A Model Palliative Care Program

The University of Wisconsin Hospital and Clinics (UWHC) used its four core values—compassionate care, respect for others, active lifelong learning, and excellence in innovation—during the development and implementation of its palliative care consult service.

Before implementing the program, UWHC studied the current state of patient deaths and surveyed staff on a number of patient issues. A snapshot of UWHC deaths found that in the majority of cases, advance directives were irrelevant in guiding medical care; many patients had short lengths of stay; almost half (49 percent) of the patients died in critical care units; and an organ failure-related death was predominant in patients experiencing long lengths of stay.

Treatments used too often on patients with critical or

terminal illnesses included mechanical ventilation (52 percent), CPR (51 percent), and artificial nutrition/hydration (36 percent), as identified by UWHC staff. Interestingly, only 2 percent of staff responded that pain medication was used too often on these patients. A large number of UWHC staff (53 percent of nurses, 59 percent of medical attending physicians, 33 percent of surgical attending physicians, 73 percent of house staff) indicated that treatments were often overly burdensome to patients.

Staff showed mixed responses when asked if they believed that their patients understood the information they were told about their medical condition and treatment options. Staff responses ranged from only 29 percent of nurses responding "yes" to 68 percent of surgical attendings responding "yes." (Medical attending and house staff fell somewhere in between at 41 and 47 percent, respectively.)

Even fewer staff indicated that the amount of time dedicated to helping patients discuss and resolve ethical issues was appropriate (nurses, 11 percent; medical attendings, 26 percent; surgical attendings, 33 percent; house staff, 9 percent).

Nearly all staff (79 percent of staff surveyed) agreed that too little attention was being given to the spiritual needs of patients with terminal illness.

UWHC's model program helped to address and resolve many of these staff concerns. Today, the palliative care consult works in collaboration with other health care staff and models the integration of palliative care services into the acute care setting.

Led by a palliative care physician and advanced practice nurses, the interdisciplinary palliative care team works cooperatively with each patient and those staff responsible for the ongoing care of the patient. Calling in a palliative team consult does not mean that the team will take over care of the patient; the role of UWHC's palliative consult service is to support the treatment team, the patient, and the patient's family.

UWHC's palliative care team is available to help at both inpatient and clinic settings by assisting staff, patients, and family members with pain and symptom management, and psychosocial and spiritual issues during serious illness, at the end of life, and during bereavement.

UWHC's palliative care program's vision is to become a premier program based on clinical excellence, comprehensive research activities, and a strong commitment to education.

This article was adapted from presentations by Diane Meier, M.D., and Lynn Spragens from The Center to Advance Palliative Care (CAPC®) conference held July 13–15, 2001. Presentation available at *www.capc.org*.

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Budgeting for a Palliative Care Program

…especially for ACCC members

Good data are essential to make the case for palliative services and determine how the program is going to be developed, staffing and resource needs, and how much the program will cost.

As a first step, assess your hospital volume and consider the implications for the scope of your palliative care program. Know the following information:

- Hospital size (inpatient beds)
- Occupancy rate
- Annual bed days
- Average length of stay
- Admissions
- Admissions/day
- Medicare admissions as percent of total
- Medicare admissions/day.

Once you have assessed these indicators, you can begin to estimate service volume and, subsequently, your budget for staffing and overhead for palliative care services.

To help you in this process, ACCC members should visit the "Members-Only" section of ACCC's web site at *www.accc-cancer.org*. Click on the Members-Only button; then click on the Survey/Studies button. You will find some helpful resources, including:

- A Palliative Care Budget Worksheet
- Profiles of model palliative care programs.