

Hospice & Palliative Care Association of New York State
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October 20, 2022

The Honorable Kathleen Hochul
Governor of New York State
Executive Chamber
New York State Capitol
Albany, NY 12224

Re: *A.8472 (Gottfried) / S. 9387 (Krueger)*

Dear Governor Hochul,

We are writing to express the support of the Hospice & Palliative Care Association of New York State (HPCANYS) for the above-referenced bill, which would prohibit the establishment, incorporation or construction of for-profit hospices. In short, the proliferation of for-profit hospices nationwide has had a negative impact on the quality of end-of-life care, and the establishment of additional for-profit hospices in New York State will also exacerbate existing access and staffing issues. Rather than establishing additional for-profit hospices, the State should focus on solutions to support the 95% of New York hospices that are not-for-profit, and appropriately address existing end-of-life care workforce and capacity issues.

New York's not-for-profit hospices provide high quality services with high patient and family satisfaction. New York hospices also serve their communities with bereavement services, charity care, and advance care planning education, making patient care and preferences their primary consideration. The experience other states have had with for-profit hospice has not been the same. States that have allowed broad development of for-profit hospice have faced a variety of negative impacts:

- The influx of venture capital money into the sector, resulting in profits driving care decisions rather than patient and family needs;

- An increase in fair wage issues that exacerbate an already fractured workforce;
- Moratoriums having to be placed on new licenses due to market saturation and an alarming increase in issues of fraud and abuse;
- Movement of bad actors from states that have put moratoriums on licenses (e.g., California) to other states, opening up hospices in large urban areas with a high number of residents with low English proficiency (e.g., Clark County, Nevada and Maricopa County, Arizona);
- Complaints involving residents with dementia and low English proficiency being inappropriately enrolled in hospice to obtain otherwise-unavailable supportive services (e.g., DME, aides);
- Complaints of potentially criminal activity where for-profit-hospices are being utilized as pill mills, with some hospice enrollees having email addresses that have been traced back to other countries.

While all hospice organizations must abide by the same Medicare requirements, the way in which they deliver care can be drastically different. In 2019, the National Partnership for Healthcare and Hospice Innovation (NPHI) conducted a comprehensive [study](#) with the objective of understanding the differences and similarities in financials and quality of care between nonprofit and for-profit hospices serving those who receive the Medicare benefit. The study indicated:

- For-profit hospices place more focus on a higher net margin than the nonprofit hospices (19.9 percent versus 3 percent).
- Nonprofit hospices provide patients with 10 percent more nursing visits, 35 percent more social worker visits and twice as many therapy visits versus for-profit hospices, per patient day.
- Nonprofit hospices admit more critically ill patients immediately after a hospital stay than for-profit hospices. This means nonprofit hospices are caring for individuals who have significantly more needs requiring more visits, supplies, medication and more.
- For-profit hospices report spending more than 300 percent more on advertising costs than nonprofit hospices.
- For-profit hospices report spending less than half of what nonprofit hospices report on grief support services.

Rather than developing new for-profit capacity, the State's existing not-for-profit hospices should be provided the regulatory attention and institutional support that has been historically absent from the Department of Health to increase the State's hospice utilization rate. The issues impacting the state's hospice utilization rate can be better and more efficiently addressed by the State with the inclusion of hospice and palliative care in the State's Aging Blueprint and in any future commitment of resources to the State's healthcare infrastructure, rather than through the establishment, incorporation, construction, or increase in capacity of for-profit hospices.

As advocates for serious illness care, we are calling on the State to first address the underlying issues plaguing the 95% of the State's hospices that are not-for-profit that present barriers to serious illness care for all eligible healthcare consumers, before allowing for the establishment of for-profit hospices in the State. Until the State can demonstrate that it can operationalize its recently affirmed statements of commitment to end-of-life care, allowing the entry of more for-profit entities would be premature and could compromise hospice integrity.

For all of the above reasons, the HPCANYS strongly supports the prompt enactment of A.8472 (Gottfried) / S. 9387 (Krueger).

Warmest regards,



Jeanne Chirico, MPH
President/CEO
Hospice & Palliative Care Association of NYS



Cheryl A. Kraus, JD
Director, Government Affairs and Policy
Hospice & Palliative Care Association of NYS

CC: Elizabeth Fine, Counsel to the Governor

The Hospice and Palliative Care Association of New York State (HPCANYS) is the only not-for-profit statewide organization exclusively representing hospice and palliative care programs, allied organizations and individuals that are interested in the development and growth of quality, comprehensive end-of-life services. Member services include advocacy, education, public engagement, communications, peer groups, and technical assistance. The Association provides a strong, active voice for patients and their families. HPCANYS advocates for public policy - both state and federal, and legislative and regulatory - that promotes accessible, quality, end-of-life care. The Association promotes research and supports public engagement programming that brings the hospice and palliative care message to the public. Our vision is that all seriously ill persons receive a full spectrum of care to maximize their quality of life according to their own values, goals, and preferences.