

MedPAC Flags Rising Hospice Costs, Longer Stays

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WASHINGTON — Staggering growth in the popularity of hospice services—and in the rise of for-profit hospice providers—has caught the attention of the Medicare Payment Assessment Commission.

At their recent meeting, MedPAC commissioners debated the potential impact of rising hospice costs on the Medicare program.

The hospice benefit began in 1983 with the idea that it would cost Medicare less to provide hospice than conventional end-of-life treatment, which is usually delivered in the hospital, said MedPAC staff member James Mathews, Ph.D.

But there is some evidence indicating that hospice use may actually result in higher spending, said Dr. Mathews.

According to MedPAC's analysis of Medicare claims data, hospice spending tripled from 2000 to 2007, when Medicare

spent \$10 billion on hospice services. The mean length of hospice stay increased 30% from 2000 to 2005.

It's not clear why length of stay is increasing, although data have shown that some illnesses—such as Alzheimer's disease and ischemic heart disease—tend to result in longer stays, according to Dr. Mathews.

One explanation may be that hospice care tends to be more expensive at the beginning and the end of the service; inter-

im days are more profitable, so there is an incentive to lengthen stay, he said.

But it appears that much of the growth in costs and length of stay is due to the huge increase in for-profit hospice facilities in the market.

From 2000 to 2007, very few nonprofit hospices entered the market, while the for-profit sector grew 12% a year, according to Dr. Mathews.

There were just a little more than 1,600 for-profit hospices in 2007, compared with about 1,200 nonprofit and 400 government-run facilities, according to the MedPAC analysis.

In addition, the analysis determined that profit margins are also much higher at for-profit hospice facilities. In 2005, the last year in the analysis, for-profit margins were about 12%, while nonprofits had negative margins. MedPAC also found that hospices that entered the market since 2000 had higher margins—and these were mostly for-profit operations.

Some hospices, only about 9%, are subject to a cap that limits the length of stay, but even those facilities have found a way to profit from Medicare, said Dr. Mathews.

"Clearly, people see an opportunity—a financial opportunity—here," commented MedPAC chairman Glenn Hackbarth, a health care consultant based in Bend, Ore. He said that the commission needed to find a way to keep the hospice program from spiraling out of control.

Commissioner Jack Ebeler suggested that Medicare "may need blunter instruments for slowing the growth," but also added that the health program should not do anything to lose "an extraordinarily valuable benefit."

MedPAC vice chairman Robert Reischauer, Ph.D., suggested that Medicare payment could be refined to buy more appropriate care.

"It strikes me that there's probably an easy way to do this," according to Dr. Reischauer, who is also president of the Urban Institute.

J. Donald Schumacher, Psy.D., president and CEO of the National Hospice and Palliative Care Association, acknowledged that there has been a "huge growth spurt" in the hospice field. Facilities are worried that the Centers for Medicare and Medicaid Services or Congress might clamp down, using a "blunt instrument," Dr. Schumacher said at the meeting.

The commissioners and Dr. Schumacher agreed that a first step to a solution is getting more data on the hospice sector. CMS has already started down that path. In July, hospices will begin submitting data to CMS on the types of services they provide and which practitioners are delivering them.

euflexxa[™]
HIGHLY PURIFIED HYALURONAN

UNIQUE NATIONAL
HCPCS CODE
J7323

BRIEF SUMMARY

Please consult package insert for full Prescribing Information.

INDICATION

EUFLEXXA[™] (1% sodium hyaluronate) is indicated for the treatment of pain in osteoarthritis (OA) of the knee in patients who have failed to respond adequately to conservative non-pharmacologic therapy and simple analgesics (e.g., acetaminophen).

CONTRAINDICATIONS

- Do not use EUFLEXXA[™] to treat patients who have a known hypersensitivity to hyaluronan preparations
- Do not use EUFLEXXA[™] to treat patients with knee joint infections, infections or skin disease in the area of the injection site

WARNINGS

- Mixing of quaternary ammonium salts such as benzalkonium chloride with hyaluronan solutions results in formation of a precipitate. EUFLEXXA[™] should not be administered through a needle previously used with medical solutions containing benzalkonium chloride. Do not use disinfectants for skin preparation that contain quaternary ammonium salts
- Do not inject intravascularly because intravascular injection may cause systemic adverse events

PRECAUTIONS

General

- Patients having repeated exposure to EUFLEXXA[™] have the potential for an immune response; however, this has not been assessed in humans
- Safety and effectiveness of injection in conjunction with other intra-articular injectables, or into joints other than the knee has not been studied
- Remove any joint effusion before injecting
- Transient pain or swelling of the injected joint may occur after intra-articular injection with EUFLEXXA[™]
- Do not use after expiration date
- Protect from light
- Do not re-use—dispose of the syringe after use
- Do not use if the blister package is opened or damaged

Information for Patients

- Transient pain and/or swelling of the injected joint may occur after intra-articular injection of EUFLEXXA[™]
- As with any invasive joint procedure, it is recommended that the patient avoid any strenuous activities or prolonged (i.e., more than 1 hour) weight-bearing activities such as jogging or tennis within 48 hours following intra-articular injection
- The safety and effectiveness of repeated treatment cycles of EUFLEXXA[™] have not been established

ADVERSE EVENTS

Adverse event information regarding the use of EUFLEXXA[™] as a treatment for pain in OA of the knee was available from two sources; a multicenter clinical trial conducted in Germany and a single center clinical trial that was conducted in Israel.

Multicenter Clinical Investigation

This clinical investigation was a prospective randomized, double blinded, active control (commercially available hyaluronan product) study conducted at 10 centers. Three hundred twenty-one patients were randomized into groups of equal size to receive either EUFLEXXA[™] (n=160) or the active control (n=161). A total of 119 patients reported 196 adverse events; this number represents 54 (33.8%) of the EUFLEXXA[™] group and 65 (44.4%) of the active control group. There were no deaths reported during the study.

Incidences of each event were similar for both groups, except for knee joint effusion, which was reported by 9 patients in the active control group and one patient in the EUFLEXXA[™] treatment group. A total of 160 patients received 478 injections of EUFLEXXA[™]. There were 27 reported adverse

events considered to be related to EUFLEXXA[™] injections: arthralgia – 11 (6.9%); back pain – 1 (0.63%); blood pressure increase – 3 (1.88%); joint effusion – 1 (0.63%); joint swelling – 3 (1.88%); nausea – 1 (0.63%); paresthesia – 2 (1.25%); feeling of sickness of injection – 3 (1.88%); skin irritation – 1 (0.63%); tenderness in study knee – 1 (0.63%). Four adverse events were reported for the EUFLEXXA[™] group that the relationship to treatment was considered to be unknown: fatigue – 3 (1.88%); nausea – 1 (0.63%).

Single Center Study

In a single-center, single-blinded, placebo controlled, prospective, two parallel treatment arm clinical trial a total of 49 (25 EUFLEXXA[™], 24 placebo) patients were randomized into two treatment groups in a ratio of 1:1 EUFLEXXA[™] or placebo. A total of 65 adverse events were reported by 17 (68%) of the patients in the EUFLEXXA[™] group and 15 (63%) in the placebo group. Of the 65 total events reported, 20 were regarded as treatment related. Knee pain, hypokinesia of the knee, knee swelling, and rash were considered to be treatment related adverse events.

DETAILED DEVICE DESCRIPTION

Each syringe of EUFLEXXA[™] contains:

Sodium hyaluronate	20 mg
Sodium chloride	17 mg
Disodium hydrogen phosphate dodecahydrate	1.12 mg
Sodium dihydrogen phosphate dihydrate	0.1 mg
Water for injection	q.s.

HOW SUPPLIED

EUFLEXXA[™] is supplied in 2.25 ml nominal volume, disposable, pre-filled glass syringes containing 2 ml of EUFLEXXA[™]. Only the contents of the syringe are sterile. EUFLEXXA[™] is nonpyrogenic. 3 disposable syringes per carton.

This product is latex-free.

DIRECTIONS FOR USE

- Do not use EUFLEXXA[™] if the package is open or damaged. Store in the original package below 77°F (25°C). Do not freeze. Protect from light.
- EUFLEXXA[™] is administered by intra-articular injection into the knee synovial capsule using strict aseptic injection procedures. The full content of the syringe is injected into the affected knee at weekly intervals for 3 weeks, for a total of 3 injections.

Toll free number for providers and patients to call with questions: 1-(888)-FERRING (1-(888)-337-7464).

MANUFACTURED FOR:

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References: 1. Moreland L. Intra-articular hyaluronan (hyaluronic acid) and hylans for the treatment of osteoarthritis: mechanisms of action. *Arthritis Res Ther*. 2003;5:54-67. 2. Balzas EA, Denlinger JL. Viscosupplementation: A new concept in the treatment of osteoarthritis. *J Rheumatol*. 1993;(suppl 39):20-3-9.