HOSPICE 101

COVERAGE, COSTS AND OTHER USEFUL INFORMATION

2016

DIGNITY
TEAM HEALTH

At Dignity Team Health, we get asked a lot about Hospice.

What does it include? How does one avail of it? How is it paid for?

This e-book was written to answer those questions and hopefully clarify some of the common misconceptions about the service.

For example: Hospice is not just for patients with cancer. It is for the patient and their support system (the whole family) that is affected by the diagnosis and prognosis.

This program of interdisciplinary treatment is custom tailored to each patient to enable management of symptoms and pain. What makes Hospice unique is that it provides care beyond the patient, to include meeting the needs of caregivers and family, to support a better quality of life with dignity and compassion for everyone involved.

In Hospice, a team of doctors, nurses, social workers, home health aides and spiritual counselors provides medical services and support to terminally ill patients, their caregivers and their families. Hospice care includes psychological, emotional and social support as well as spiritual resources. This holistic and comprehensive approach maximizes comfort, reduces pain, and alleviates distress and anxiety.

Medicare, Medicaid, Veterans Affairs and TRICARE, as well as most private insurance plans, HMOs and other managed care programs pay for most, if not all, Hospice care costs.

While teams of expert professionals concentrate on providing care when needed, and their efforts improve the quality of life of their patients, Hospice is not a curative course of treatment.

If you are researching Hospice, we hope this e-book proves valuable in your information gathering, and helps shed light on the many benefits that the service offers.

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Table of Contents

How Hospice Works 4
- Types of Care 4
- Routine Care 4
- Continuous Care 5
- Respite Care 5
- General Inpatient Care 5

The Hospice Team 5
Eligibility 7
Costs & Coverage 7
- Medicare 8
- Medicaid 8
- Veterans Affairs 8
- TRICARE 9
- Private Health Insurance 9
- Long-Term Care Insurance 9
- Life Insurance Conversion 10
- Reverse Mortgages 10

About Dignity Team Health 10
Links & Resources 11
Contact Us 12

This e-book offers a broad overview of Hospice information applicable to the state of Texas as of the time of publication.

How Hospice Works

Types of Care

When a patient enters the final stages of their terminal illness, that patient and family can feel overwhelmed by the unrelenting physical, psychological, and practical end-of-life challenges.

Typically a terminal patient's primary caregiver is a family member who regularly assists the patient to accomplish life's day-to-day necessities, make decisions, and plan for the future.

Dignity's interdisciplinary approach to Hospice has four distinct levels of care that address the most common issues during this challenging period:

1. ROUTINE CARE

If a patient decides to receive Hospice and symptoms are under control yet require medical care to manage, a Hospice Team will deliver Routine Care.

The Hospice Team, together with the patient and caregiver, will develop a plan of care tailored to the patient's individual requirements. Routine Care can be provided where the patient resides, such as; their home or private residence, an assisted living facility or nursing facility.

Routine Care includes:

- Physical, emotional and spiritual care
- Pain management
- Symptom management
- Nutrition management
- Medications relative to primary terminal diagnosis, and symptom and pain management
- All durable medical equipment to meet the needs of the patient (hospital bed, wheel chair, shower chair, etc.)
- Medical supplies (diapers, wipes, pull-ups, etc.)

All of the above services are provided as part of an individualized plan of care that is specifically geared to support the patient and the family while maintaining the patient's comfort and dignity.

The Hospice Team works with the patient and the family to determine what services, such as pain management or bathing, are needed and how often they need to be provided.

The Routine Care plan is adjusted to meet the patient's and family's changing needs. Routine Care also includes 24/7 "on-call" access to nearby medical professionals to answer questions and assist the patient and family in emergency and non-emergency situations that may occur.

2. CONTINUOUS CARE

Continuous care is a level of care initiated during periods of crisis for uncontrolled symptoms that the patient has, and which require medication to maintain symptom management.

This level of care consists of skilled nurses along with certified nursing assistants (CNAs).

Continuous Care may be ordered by a doctor for up to 24-hours and is meant to enable the terminally ill patient to remain home until symptoms are controlled.

If the terminally ill patient begins to experience illness symptoms that are out of control, such as severe pain, the patient and family should request an assessment for Continuous Care until the Hospice Team can return the patient to comfort and, if necessary, train the primary caregiver to maintain that comfort.

3. RESPITE CARE

Caregiving is intense and often unseen or acknowledged. Caregivers experience serious disruptions to normal routine, work, and social life while having to manage a household, family finances, and the tasks associated with managing their loved one's terminal illness.

Because the above stressors can cause a caregiver to suffer psychological distress and exhaustion, even illness, Hospice includes Respite Care. This level of care provides the caregiver a rest from the responsibility of providing what is essentially round-the-clock care, while meeting the patient's needs.

Respite Care:

- Provides relief to the primary caregiver for up to 5 days
- Requires the patient to stay in a contracted inpatient nursing care facility

The patient or caregiver must request Respite Care, and it can be provided more than once.

It is essential that the caregiver remains healthy and strong because their loved one depends on them to accomplish daily activities, manage medications, and navigate the health care system. Further, the caregiver communicates with the Hospice care team and other health care professionals.

Respite Care may also be provided when the primary caregiver is unable or unwilling to provide the necessary care to maintain the patient's comfort and control the terminal illness' symptoms.

4. GENERAL INPATIENT CARE

There are times when a patient is experiencing severe pain and/or other severe uncontrollable symptoms related to their terminal illness that cannot be safely or effectively managed at home, even under Continuous Care.

In these situations the patient should be admitted to a medical facility until the patient's symptoms are brought under control and a plan for managing them in future at home is developed.

General Inpatient Care includes:

- Continuous Care in a skilled nursing facility, hospital or inpatient unit
- Monitoring, management, and stabilization of pain and symptoms that cannot be safely or effectively managed at home

The goal of General Inpatient Care is to stabilize and adequately manage the patient's symptoms to allow the patient to return home.

The Hospice Team

The Hospice approach continues to evolve, and now includes providing care not only to the terminally ill patient in the last stages of life, but supporting the caregiver and the family in what is likely the most physically, emotionally and spiritually demanding period of their lives.

It takes a dedicated interdisciplinary team of medical, social, and spiritual professionals and trained volunteers to create the conditions that will allow the terminally ill patient to not only live life to the fullest, but to do so with as much comfort as possible while at home with loved ones.

It also requires a plan because while a patient remaining with loved ones is ideal, it is a unique and complex undertaking to meet the patient's and the family's individual needs.

No patient's needs are the same. What Dignity's Hospice Team does is design and deliver interdisciplinary care, with contingencies for the possibility of short-term crises and the potential need for the caregiver to get a break.

The patient and the caregiver should be involved in all decisions about services and care as much as possible.

The Hospice Team's major responsibilities include:

• Ensuring respect for the wishes of the patient, the caregiver, and the family
• Managing the patient's pain and symptoms
• Providing medications, medical supplies, and equipment
• Teaching the caregiver and others about how to care for the patient
• Providing speech and physical therapy if needed
• Facilitating and arranging different levels of care, such as Continuous Care and Respite Care, when needed swiftly
• Providing practical, emotional, and spiritual support
• Providing grief support to loved ones and friends.

Interdisciplinary Hospice Care Teams typically include:

DOCTORS

Patients receiving Hospice decide who their primary care doctor is. They also receive care from the Hospice organization's medical director.

NURSES

Nurses coordinate the Hospice Care Team and provide nursing services where the patient is located, at most Hospice Care levels.

HOME HEALTH AIDES

Home health aides provide support for Routine Care, such as dressing, bathing, and eating.

SPIRITUAL COUNSELORS

Spiritual counselors provide spiritual care and guidance for those who wish to receive it in accordance with the patient's and family's faith.

SOCIAL WORKERS

With the patient, caregiver and family, social workers identify financial, social, and emotional challenges. Social workers also provide counseling and support to solve challenges, including, but not limited to, assistance in navigating various programs and systems to receive a variety of support services.

PHARMACISTS

Pharmacists organize medication and make suggestions on the most effective ways to manage pain and relieve symptoms.

BEREAVEMENT COUNSELLORS

Bereavement counselors offer emotional and/or spiritual support and guidance after the death of a loved one. Dignity Team Health provides bereavement support up to 13 months after a patient's passing.

VOLUNTEERS

Hospice volunteers provide practical support in innumerable ways, from companionship to meal preparation,

as well as social and spiritual support.

OTHER PROFESSIONALS

Other Hospice Team personnel can include, but are not limited to, speech, physical, and occupational therapists.

Eligibility

Proper communication and informed decision-making are all crucial to the swift and effective delivery of Hospice to the patient.

This means the patient, the caregiver or both must make the time to research what eligibility criteria their healthcare coverage, government or privately managed, requires in order to start Hospice.

It cannot be stressed enough that planning and knowing what eligibility criteria a plan requires, especially documentation requirements, and the costs it does and does not cover, are critical to drafting a plan that supports both the patient and the caregiver, together with the family.

If a patient, a caregiver, and affected family are considering Hospice, researching and choosing a Hospice provider early will also speed up the delivery of Hospice if and when it is needed.

The following are a few of the most standard eligibility criteria based on Medicare requirements, but this list is not complete.

Eligibility criteria generally include:

• The primary care doctor and the Hospice provider's doctor both clinically determine and certify that:

a. The patient is in the final stages of a terminal illness and
b. If the illness runs its normal course the patient has a life expectancy of 6 months or less

• A primary caregiver, usually a family member such a spouse, parent, or child, must be available to give or supervise care.

• If the patient is medically unable, the patient or caregiver must accept Hospice to maintain comfort and manage pain instead of care to cure the illness.

• Additionally the patient or the caregiver must sign a statement choosing Hospice, usually called an election, instead of other covered treatments for the terminal illness and related conditions.

Patients covered by private insurance or health management organizations should research their policy's guidelines because many will permit the patient to receive Hospice care earlier than the final six months of life.

Government managed healthcare programs and most private healthcare organizations will require recertification just prior to the end of the first six month period to continue Hospice, and for varying periods of time thereafter.

As long as the terminally ill patient continues to have a life expectancy of 6 months or less, Hospice care should continue.

The patient or caregiver acting on the patient's behalf can at any time stop Hospice and return to the type of care that was being received before being admitted into Hospice.

Some patients' terminal illnesses may appear to go into remission, or a patient may wish to pursue a newly available curative treatment. In either case the patient can be discharged from Hospice and as long as the eligibility criteria is met, be re-admitted as desired.

Costs & Coverage

The Medicare Hospice Benefit, the Medicaid Hospice Benefit, Veterans Affairs, TRICARE, and most private insurers cover most costs related to Hospice.

BY BRINGING THE HOSPITAL TO THE PATIENT, HOSPICE PROMOTES A BETTER QUALIFY OF LIFE FOR EVERYONE INVOLVED.

While the best Hospice providers will work tirelessly with the patient, the caregiver, and the patient's family to address financial issues, the best way to reduce undue financial hardship, while not always possible, is to know and understand the patient's coverage and be prepared with a plan.

MEDICARE

Most Hospice costs are paid through Medicare A which has the Medicare Hospice Benefit.

If the patient has a Medicare Advantage Plan or another Medicare plan, Hospice coverage reverts to Medicare A.

Costs in Original Medicare:

• The patient pays nothing, $0, for hospice care.

• If the needed drug is not covered by the Hospice Benefit, the patient/caregiver should contact Medicare to find out if it is covered under Medicare Part D.

• Medicare does not cover room and board when Hospice Care is provided in the home or another facility, like a nursing home, where the patient resides.

Most U.S. citizens or qualified permanent residents will receive a statement from the Social Security Administration explaining their eligibility for Medicare.

The American Association of Retired Persons (AARP) article titled "Top 10 Medicare Mistakes" (see Links & Resources secton) is a must read. It not only discusses common costly mistakes, but it also untangles Medicare's alphabet soup.

MEDICAID

Most Hospice Care costs are paid through the Medicaid Hospice Benefit program which, while a federal program, is administered in Texas by both the Texas' Health and Human Services Commission (HHSC) and the Department of Aging and Disability Services (DADS).

There are eligibility means-based and situational criteria which must be met and accepted by the state government before Medicaid will cover Hospice services.

HOSPICE IS NOT A PHILOSOPHY. IT'S A SERVICE.

Like Medicare, most Medicaid services are delivered through managed care health plans under contract with the state.

Texas State's Medicaid system is called Star+Plus, which is administered by a variety of health management organizations (HMOs).

Medicaid Hospice Benefit

• The patient pays nothing, $0, for hospice care.
• If the needed drug is not covered by the Hospice Benefit, the patient/caregiver should contact Medicaid.
• Medicaid pays for room and board while in a skilled facility.

VETERANS AFFAIRS (VA)

Veteran patients who have a terminal illness with the expectation that the end of life will come within six months may use the Hospice Care benefits of either Medicare or the VA.

A veteran patient can receive Hospice wherever he or she resides and may be referred to community partners to receive Hospice services. Additionally, the VA specifically supports caregivers through a variety of programs.

Costs in VA:

• The patient pays nothing, $0, for hospice care.

• The VA Hospice Care benefits do not cover room and board when care is provided in home or another facility, like a nursing home, where the patient resides.

TRICARE

If either the military service member or eligible family members are suffering from a terminal illness, TRICARE provides Hospice Care benefits.

What is critical to an efficient delivery

of Hospice services is that eligible patients' information must be up to date within the Defense Enrollment Eligibility Reporting System (DEERS).

Costs under TRICARE

• The patient pays nothing, $0, for hospice care.

• Patients may be responsible for covering the cost of items not covered by the Hospice Care Benefit, such as outpatient medications.

• Costs for medical care that are not related to the terminal illness will be taken care of if they are covered by the basic TRICARE benefit.

• TRICARE Hospice Care benefits do not cover room and board when care is provided in home or another facility, like a nursing home, where the patient resides.

PRIVATE HEALTH INSURANCE

Most employer-provided healthcare plans or individual managed care plans provide for Hospice in much the same way as Medicare.

There are always variations between plans, such as the life expectancy requirement or the number of Respite Care days available, which the patient, the caregiver, or both should take the time to research.

It is common for private plans to require prior authorization, and in many cases deductibles, co-pays, and limits to out of pocket expenses will apply. The only way to know is to read the policy and contact the provider.

LONG-TERM CARE INSURANCE

If the patient has had the means and the foresight to plan ahead, he or she may have a long-term care insurance policy. Typically, this level is geared toward private care. Long-term/conversion/reverse mortgages can play a part in a patient paying privately if not through medicare, medicaid or group insurance.

The good news here is that while these policies are considered an additional expense, when and if they are needed, the benefits can be quite comprehensive.

Medicare does not cover many Long Term Care Services that Long Term

Care Insurance may provide for such as attending care.

The best thing is to read the policy and contact the insurer organization for assistance and clarification.

Possible benefits in addition to Hospice:

• Benefits may be used in a wide variety of locations such as home, adult day service centers, assisted living facilities, specialized care facilities, and more.

• If services are delivered at home, they may include skilled nursing, speech and physical rehabilitation, and assistance with bathing and dressing.

• Some policies also cover homemaker services such as housekeeping and meal preparation.

• Other policies pay the caregiver, even if that caregiver is a family member, for services provided.

LIFE INSURANCE CONVERSION

Converting a life insurance policy into a Long Term Care Benefit Plan is the right of every person in the United States who owns a life insurance policy and wishes to pay for private care.

There are even some life insurance policies that cover long term care outright as part of the benefits.

If the terminally ill patient has a traditional life insurance policy, there are three possible ways that policy may help in paying for Hospice.

The patient or life insurance policyholder will usually receive more money than if the policy was cancelled or surrendered, but it will be less than the policy's death benefit.

1. Accelerated Death Benefits

Included in some life insurance policies is the ability to receive a tax-free advance on the life insurance death benefit if the policyholder suffers from a terminal illness or is in need of catastrophic or long-term care.

2. Life Settlements

Women aged 74 and older and men aged 70 and older, not just patients, may sell their life insurance policy for its present value to raise cash for any reason, but it may be taxed.

3. Viatical Settlements

A viatical company or broker will purchase the life insurance policy for a percentage of the death benefit from a terminally ill patient who can expect to live for no longer than two years. The monetary benefits are not taxed.

REVERSE MORTGAGES

This type of loan, also called a Home Equity Conversion Mortgage, turns the years of equity that have built up in a home into cash, while allowing the terminal patient, caregiver, or others who qualify to retain ownership of and continue to live in the home.

The lender makes payments to the borrower-owner until the home is either sold or the borrower-owner no longer lives in the home.

No taxes are due on the payments received and there are no restrictions on how the money can be used. Interest accrued on the reverse mortgage is not tax deductible until it is actually paid.

Requirements to qualify for a Reverse Mortgage include:

• Owner-borrower must be at least 62 years old

• Property must not have any other lien such as a traditional homeowners loan

• Owner-borrower must cover the costs of property taxes, homeowners insurance and homeowners association dues

• Owner-borrower must remain a resident in the home.

Dignity Team Health is a Texas-based provider of private care, hospice and home healthcare for individuals in different stages of need.

Founded in 2014 by a Dallas-based group of investors with years of leadership and healthcare experience, Dignity has offices in Dallas and Houston with nine more offices planned by the end of 2017.

Currently the Dallas location offers hospice, private care and home health, while Houston provides hospice services.

Dignity Team Health is state licensed, insured, bonded, and JCAHO (Joint Commission on Accreditation of Healthcare) accredited. Employees are background checked and OIG (Office of the Inspector General) checked every month and randomly drug tested.

More information on Dignity Team Health can be found on dignityteamhealth.com.

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Links & Resources

MEDICARE
Medicare's Hospice Care Benefit Explained - 800-MED-ICARE
Medicare's Explanation of Hospice Care
AARP's "10 Facts You Need to Know About Hospice"
Texas State Department of Aging and Disability Services - 855-937-2372
Help with Medicare in Texas, Area Agencies on Aging (AAAs) - 800-252-9240
Social Security Administration - 1-800-772-1213

MEDICAID
Texas Medicaid hotline toll-free at: 800-252-8263
Texas Star+Plus healthcare plans contact information

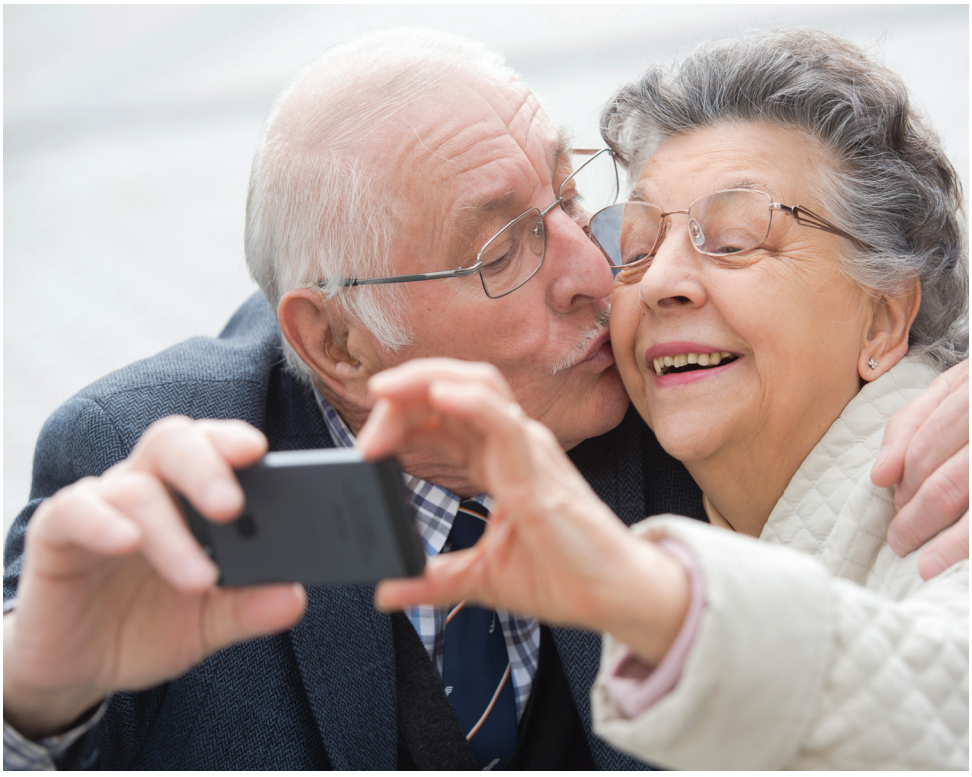
VETERANS' AFFAIRS
Caregivers needing assistance can contact the Caregiver Support Services through the VA's Caregiver Support Line
855-260-3274 or can contact the Caregiver Support Coordinator at 214-857-0162 or by email.
VA North Texas Health Care System Palliative and Hospice Care website

TRICARE
TRICARE South Region Humana Military can be reached at 800-444-5445, or accessed by members on the website.
TRICARE West Region UnitedHealthcare Military & Veterans can be reach at 877-988-WEST (1-877-988-9378), or accessed by members on the website.

LONG-TERM CARE INSURANCE
AARP's "Understanding Long Term Care Insurance"
The American Association for Long Term Care Insurance website

LIFE INSURANCE CONVERSION
The US Agency on Aging's explanation of life insurance conversions options
AARP's "Selling Your Life Insurance? Proceed With Caution"
Kiplinger's "Cash From Your Life Insurance"

REVERSE MORTGAGES
AARP's reverse mortgage website section
Federal Trade Commission's consumer guide to reverse mortgages
National Reverse Mortgage Lenders Association website
US Department of Health and Human Services Reverse Mortgage basics



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