

This is the fifth in a series of Issues Briefs framing the complex issue of affordability. These briefs can be used to initiate conversations with stakeholders in your community.

**What is Serious Illness?**

Serious illnesses are complex and chronic health conditions that carry a high risk of mortality and either negatively affect an individual’s daily function or quality of life, or excessively strain their caregiver.<sup>1</sup> It is likely everyone knows a friend, family member, neighbor or colleague affected by a serious illness, such as cancer, congestive heart failure, chronic obstructive pulmonary disease, kidney failure, Alzheimer’s and other dementias, Parkinson’s disease or ALS. Though distinct in their pathologies and treatments, all of these illnesses involve functional impairment, limit patients’ abilities to go about their daily activities, require significant medical and nonmedical support, and put them at high risk of hospitalization.




Twelve million U.S. adults and 400,000 children are living with a serious illness<sup>2</sup>, and that number is expected to grow exponentially over the next 25 years.<sup>3</sup> As hospitals and health systems advance health in their communities and improve affordability, there is a pressing need to implement value-based strategies focused on meeting the needs of people with serious illnesses. Care delivery innovations can help providers adopt care models that improve patients’ functioning and quality of life while reducing costs.

**Impact of Serious Illness on Health Care Spending**

Serious illness is costly for both individuals and the health care system. The U.S. spends roughly \$909 billion annually on patients with serious illnesses.<sup>4</sup> Due to their ongoing acute and long-term needs, people living with serious illnesses are frequent utilizers of the health care system, resulting in persistent high spending over the course of their illness. Of the top 5% of health care utilizers in the U.S., only 11% are in their last year of life, with 40% facing year after year of high utilization.<sup>5</sup>

Living with a serious illness is costly for patients, even for those with health insurance coverage. A Commonwealth Fund survey found that one-third of the respondents with serious illnesses reported having problems paying their hospital bills and 29% have trouble paying for their prescription drugs.<sup>6</sup> Furthermore, 37% of seriously ill individuals shared that they used all or most of their life savings because of their illness,

**State of Serious Illness in the U.S.**

-  **12 million adults and 400,000 children** are living with serious illness.
-  **\$909 billion per year** spent on patients with serious illness.
-  It is possible to save **\$3.5 billion per year** if hospitals nationwide implement quality palliative care.

resulting in challenges paying for basic necessities like food, heat or housing.<sup>7</sup>

## Palliative Care Drives Value

Patients with serious illness often experience untreated pain, lengthy hospitalizations, and have a poor understanding of both their diagnosis and what to expect as their disease progresses.<sup>8</sup> Providing high-value care for these individuals requires providers to adopt a coordinated care model that meets the complex medical and psychosocial needs of patients and their families.

The predominant approach adopted by hospitals is palliative care – specialized, team-based medical care focused on relief from the symptoms and stresses of serious illness. Palliative care treats the patients who need the service most – those who are considered particularly vulnerable due to their diagnosis, functional impairment or their high utilization of health care services. Palliative care improves the quality of life for both patients and their caregivers by surrounding seriously ill individuals with personalized medical and social support.<sup>9</sup> The palliative care team works together with a patient’s other doctors to provide an extra layer of support. It is appropriate at any age and stage of a serious illness, and can be provided along with curative treatment.<sup>10</sup>

Palliative care treats patients’ needs, not prognosis. It focuses on<sup>11</sup>:

- **Care coordination:** The palliative care approach surrounds patients with a multi-disciplinary care team, including specially trained doctors, nurses, social workers and other specialists. Specialty palliative care programs are resourced to provide patients with access to care team members for medical and psychosocial support.
- **Managing complex symptoms:** Palliative care specialists are experts in managing pain and other burdensome symptoms that lead to avoidable suffering for patients and unnecessary health care utilization, including emergency department (ED) visits and readmissions.
- **Improving the patient experience:** Palliative care teams engage the patient and family in all aspects of care, including: decision making; managing expectations as the illness progresses; focusing on quality of life and pain management; aligning care with goals and priorities of the patient and family; and providing a support system to manage symptoms. Palliative care allows for additional time for family meetings and counseling.

## Partnering to Improve Care

The AHA is partnering with the Center to Advance Palliative Care to guide hospital leaders as they reexamine their approach to palliative care, identify patients needing additional support and build a care plan centered on the patient’s clinical and emotional needs. Together, the AHA and CAPC have created a new **Palliative Care Support Hub** offering a practical framework for assessing, measuring and expanding palliative care services that put patients first and empower clinicians to drive real change. Learn more at [www.aha.org/palcare](http://www.aha.org/palcare).



- **Reducing burdensome and unnecessary interventions:** For many patients, palliative care is able to reduce the cost of care by eliminating treatments and procedures that are not aligned with what the patient wants and managing symptoms in the community setting to reduce unnecessary admissions to the hospital<sup>12</sup>;
- **Relieving caregiver burden:** Palliative care offers psychosocial support, as well as tools and resources for family members and caregivers.

Palliative care has proven to be an effective approach to improve value. A recent study found that patients who received palliative care had better outcomes for quality of life, anxiety, depression and spiritual well-being.<sup>13</sup> Furthermore, palliative care aligns treatment plans with patient preferences, improving satisfaction with care for individuals living with serious illness.<sup>14</sup>

In addition, palliative care has demonstrated to be cost effective for patients with a serious illness. On average, hospitals can save more than \$3,200 per patient over the course of a hospital stay when palliative care services are added to their routine care. Savings are greatest for patients with cancer or more than four co-existing illnesses.<sup>15</sup> Implementing quality palliative care services nationwide for patients with serious illnesses has the potential to save the health care system \$3.5 billion per year.<sup>16</sup>

Adopting a palliative care strategy enables hospitals to comprehensively work toward improving outcomes, enhancing the patient experience and reducing costs.<sup>17</sup> To date, 80% of hospitals report having a program. Despite this, even at hospitals with palliative care programs, 60% of patients who would benefit from palliative care do not receive it.<sup>18</sup>



## AHA's Value Equation

Through The Value Initiative, the AHA is addressing affordability through the lens of value to improve outcomes and enhance the patient experience while reducing cost.



Source: AHA, 2018.

When patients with serious illness receive the right care in the right setting, hospitals can improve outcomes, enhance patient and family satisfaction, gain efficiencies, lower staff burnout and reduce spending. Quality palliative care programs are seeing a 48% reduction in readmissions, 35% reduction in ED visits and 28% reduction in daily costs.<sup>19</sup>

## Palliative Care in Action

Across the country, AHA members are implementing new value-based strategies that have lowered costs, improved outcomes and enhanced the patient experience. Many have embraced palliative care to address serious illness. These hospitals view the establishment of a specially-trained palliative care team as an investment to improve care for seriously ill individuals, driving value for patients and their families.

**The Mount Sinai Hospital** in New York City developed a program that included triggers for a palliative care consultation for any solid tumor patient with advanced cancer, long length of stay or uncontrolled pain or symptoms. In the first year, the inpatient palliative care consultation team saw nearly twice as many patients, and patients were seen earlier – an average of 3.4 days after hospital admission, as compared to 8.4 days before consult triggers were in place. Patients who received a palliative care consultation had an inpatient mortality rate of 21.8%, as compared to 37.5% before the triggers, and 29% were discharged to hospice, as compared to 14% before the triggers.

**Trinity Health – Mount Carmel Health System in Ohio** partnered with Turn-Key Health, a population health company that developed an algorithm to identify seriously ill Medicare Advantage members who were at risk for preventable utilization near the end of life. Using in-home visits and telephonic encounters, specially trained palliative care teams worked with high-risk patients to discuss their care goals, document advance care plans, screen for burdensome symptoms, and support family caregivers. Nurse and social worker teams dosed their interventions according to each patient’s risk level. Patients who received community-based palliative care showed a 38% reduction in admissions to the intensive care unit (ICU), a 33% reduction in hospital admissions, a 12% reduction in hospital days, and earlier hospice enrollment. 97% of patients reported that they were satisfied with their symptom management, and 98% reported that their care goals had been addressed. Learn more in the Trinity Health [AHA case study](#).

**Sharp HealthCare** in San Diego has a palliative care program, Transitions, that provides seriously ill patients the care they want at home. A team of doctors, social workers and nurses visit patients in their homes and teaches them how to manage their illnesses. Nurses are available around the clock to answer any questions. The program has four core components: 1) consultations focused on pain and symptom-management; 2) discussion on the consequences of disease progression and survival; 3) psychosocial and spiritual support for the caregivers; and 4) skilled conversation to support treatment choices and care planning. Over the past decade, Transitions has cared for more than 5,000 patients, lowering hospital usage and expenditures. The program produced net savings per participant per month ranging from \$2,690 for dementia to \$4,258 for cancer. Learn more about Transitions in their [AHA case study](#).



**The Western Connecticut Health Network**, a health care system comprised of three community hospitals, is working to spread palliative care as part of their population health strategy. The palliative care team provides support for seriously ill patients across the continuum of care – inpatient units to primary care offices to home. Educating hospital staff has been essential to the program’s growth and success. All hospitalists, half of the primary care physicians and more than 200 nurses have been trained in palliative care methods. Over the past decade, there has been a culture change around palliative care within the Network, reflected by greater acceptance of its value and physicians routinely identifying appropriate individuals earlier in their illnesses. A review of the Medicare Shared Saving Program, in which the Network participates, found \$9,000-\$10,000 in saving for patients who received palliative care. Learn more about the Network in their [Circle of Life Award profile](#).

## Tools and Resources

**Center to Advance Palliative Care.** These tools help hospitals adopt palliative care strategies:

*Palliative Care Hospital Impact Calculator* uses data from your organization, such as annual admissions and staffing levels on the palliative care team, to project cost savings.

*The Case for Hospital Palliative Care* describes palliative care as the paradigm for managing serious illness and outlines the key components and benefits to hospitals of implementing palliative care.

**Age-Friendly Health Systems.** Age-Friendly Health Systems is an initiative of the *John A. Hartford Foundation* and the *Institute for Healthcare Improvement* in partnership with the *American Hospital Association* and the *Catholic Health Association of the United States*.

The framework of Age-Friendly Health Systems focuses on the 4Ms:

- **What Matters:** Know and align care with each older adult's specific health outcome goals and care preferences, including, but not limited to, end-of-life care, and across settings of care.
- **Medications:** If medications are necessary, use age-friendly medications that do not interfere with What Matters, Mentation or Mobility.
- **Mentation:** Prevent, identify, treat and manage depression, dementia and delirium across settings of care.
- **Mobility:** Ensure that older adults move safely every day in order to maintain function and do What Matters.

Learn more about the initiative at [www.aha.org/agefriendly](http://www.aha.org/agefriendly).

**ICU Toolkit.** The AHA Physician Alliance toolkit, *Aligning Treatment with Patient Priorities in the Context of Progressive Disease for Use of the ICU*, offers resources specifically for hospitals, clinicians and patients to encourage the appropriate use of the ICU near the end of life.

Learn more at [www.aha.org/appropriateuse](http://www.aha.org/appropriateuse).

**Circle of Life Award: Celebrating Innovation in Palliative and End-of-Life Care.** The Circle of Life Award is presented annually by the AHA to recognize outstanding and innovative efforts in palliative and end-of-life care. The 2019 honorees include:

- **University of Colorado Hospital** in Aurora deploys an interdisciplinary team of specialists to work with underrepresented populations, including through telehealth options that link palliative care to patients in hard-to-reach rural areas. A neuropalliative care clinic serves a largely disabled and older population of patients with neurologic illnesses and their families.
- At San Antonio's **University Health System**, the palliative care team is an integrated inpatient and outpatient community-based program serving adults, adolescents, children, geriatrics and perinatal patients across 22 counties. The program makes a particular effort to reach underserved, rural and immigrant patients and partners with promotores, community health workers who serve migrant patients and families experiencing homelessness.

Learn more about the Circle of Life Award and past winners at [www.aha.org/circleoflife](http://www.aha.org/circleoflife).

## Conclusion

Meeting the psychosocial and medical needs of patients with serious illnesses will continue to be a challenge. Palliative care's additional support to patients and families enables them to better navigate the complex health care landscape alongside the emotional and physical stress of a serious illness. As the shift to value-based payment accelerates, hospitals are incorporating palliative care models into their population health strategies. By thinking towards the future about how to take on the needs of their patients while improving value, palliative care is an opportunity to both improve affordability and create a better care experience for people with serious illnesses.

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