

Testimony for Senate Health Care Committee: Support for Hospice Certificate of Need in Oregon SB 1162

Good afternoon, Chair Patterson and Members of the Senate Health Care Committee,

My name is Helen Kao, and I am a geriatrics and palliative care physician with Lumina Hospice and Palliative Care, an independent non-profit hospice based in Benton County. I am here today to express Lumina's strong support for Senate Bill 1162, requiring a **Certificate of Need (CON)** prior to expanding an existing hospice into or establishing a new hospice in a geographic service area in Oregon. The protection of patients facing serious illness and end-of-life, by ensuring high quality hospice services, should be of utmost importance to our state.

I began working for Lumina in 2016. At the time, there were two hospices operating in our region of the mid-Willamette Valley: Lumina and Samaritan Evergreen, both non-profit hospices. In fewer than 10 years, 6 for-profit hospices have entered or expanded into this geographic service area: Brighton, Bristol, First Call, Serenity, Signature, and Traditions Hospices. Benton and Linn Counties are not major metropolitan areas. The population of patients requiring end-of-life care in our geographic region cannot support 8 hospices. Since 2018, Lumina's average daily patient census has been reduced by 55% due to encroachment of 6 for-profit hospices.

Why does this matter? It's not simply that the sustainability of my organization, which has served our community for 45 years, is at stake. Non-profit hospices are being forced to close around the country. As noted in a New York Times article from June 10, 2023, in 2001, there were almost 1200 non-profit hospices in the U.S. compared to 800 for-profits. 20 years later, in 2023, the U.S. had over 5000 hospices, of which almost 75% were for-profits.

Studies have shown that non-profit hospices, on average, provide better quality care than for-profit hospices. All hospices within a geographic area receive the same daily payment per Medicare beneficiary, but patients enrolled in non-profits receive more visits from their nurses and social workers, according to a 2019 Milliman study. In November 2024, a study out of Cornell University was published in the Journal of the American Medical Association, one of the most well-respected and scientifically rigorous medical publications, which found that for-profit hospices perform substantially worse than non-profit ones, particularly in patient communication, symptom management, and emotional support. These quality metrics **matter** to patients and families.

In addition to quality of care, other studies have shown that for-profit hospices use various strategies to pad their patient census—targeting long term care facilities, enrolling greater proportions of dementia patients who questionably meet the Medicare 6 month life expectancy criteria, and absorbing relatively fewer cancer patients than non-profits. For-profits have significantly longer lengths of stay on hospice among their patients than non-profits. Quantitatively, for most hospices, a 2-week length of stay is a typical break-even timeframe for costs invested in the care of a patient at the very end-of-life in relation to Medicare's per diem

reimbursement. For-profits also have more live-discharges (patients who are discharged from hospice due to not meeting Medicare hospice eligibility criteria). While clinicians are not perfect at estimating prognoses less than 6 months, these repeated patterns among for-profits are the reasons why hospice care has come under scrutiny for Medicare fraud.

I have been a palliative care physician for 19 years. I know that individual clinicians working in the hospice field do so for the mission, to serve those in our community who are seriously ill and facing end-of-life. We don't work in hospice for the money. So I don't question the heart of the many clinicians working in hospices whether for-profit or not. It's the business leadership and shareholders of for-profits that I question. As a state, do we want our loved ones' end of life care to be subject to the profit priorities of businesses and shareholders? I hope not.

When I moved to Oregon in 2006, I specifically sought to work for an independent community-grown non-profit. This is my passion. My life's work. But every day for the past few years, I wake up wondering if my organization, an organization with deep roots in our community, and which has served generations of patients and families, will survive against the quadruple increase in hospice agencies in our area.

While SB 1162 is not specific to curtailing for-profit hospices, it is a bill that can protect and preserve the invaluable work and care of existing non-profit hospices across Oregon which have been compassionately caring for our communities for decades. Just 6 days ago, the New York State Assembly, passed Assembly Bill A565 to prohibit the establishment of new for-profit hospices within the state, with the recognition that for-profit hospices provide significantly poorer quality care than non-profits. My organization, Lumina Hospice and Palliative Care, hopes that you will pass SB 1162 to reduce the over-saturation of hospice entities across Oregon.

By safeguarding against unchecked expansion, we can ensure that our loved ones receive the best possible care during their final days, care that is focused on quality and compassion and not shareholders-pockets. I urge you to support the hospice Certificate of Need to maintain the high standards we expect for end-of-life care in Oregon.

Thank you,

A handwritten signature in dark ink, appearing to read 'Helen Kao', with a stylized, flowing script.

Helen Kao, MD

On behalf of Lumina Hospice and Palliative Care