

**MEMORANDUM OF SUPPORT
A.565 (Paulin)/S.3437 (Krueger)**

AN ACT to amend the Public Health Law, in relation to the establishment, incorporation, construction, or increase in capacity of for-profit hospice

Purpose of bill: Prohibits the establishment of new for-profit hospices or increasing the capacity of existing for-profit hospices.

LeadingAge New York and its not-for-profit, mission-driven members support A.565 (Paulin)/S.3437 (Krueger). We believe it should be the State's priority to ensure quality hospice and end of life care to individuals in New York and increase patient access to quality, comprehensive end-of-life services. LeadingAge New York is a 400-member association of not-for-profit and public long-term care providers representing all provider types on the long-term care continuum, including hospice and palliative care providers.

LeadingAge New York supports this legislation's intent to limit hospice providers in New York State to not-for-profit status. As an organization representing not-for-profit and public providers of long term care, we can attest to not-for-profit health care providers' intent to serve their patients in accordance with their missions set forth by faith-based and civic groups. They are governed by voluntary boards of directors, who donate their time and talent to ensure that ethical management, financial integrity and quality services are maintained in all aspects of operation. Not-for-profit profit providers of hospice, which comprise 95% of the hospice providers in New York, deliver services that promote quality care and comfort, patient dignity and person-centered care, and ensure that effective programs and practices are implemented. They are not driven by a daily pressure to increase their bottom line for owners, investors or shareholders. Quality care and dignity of the dying patient, rather, is the priority and end goal for these providers.

A 2019 study "Medicare Margins Analysis of Patient and Hospice Characteristics, Utilization, and Cost", conducted by the National Partnership for Healthcare and Hospice Innovation found the following:

1. Not-for-Profit hospices have an aggregate net margin of 3.0% vs. 19.9% for for-profit hospices.
2. Not-for-Profit hospices provide patients with 10% more nursing visits, 35% more social worker visits, and two times as many therapy visits vs for-profit hospices per patient day.
3. Inpatient stays—nonprofit hospices enroll a higher percentage of patients who have inpatient hospital stays immediately prior to hospice admission. Suggests they may be high-acuity patients with greater care needs upon hospice enrollment.
4. For-profit hospices report spending over 300% more on advertising costs than nonprofit hospices.
5. For-profit hospices report spending less than half what nonprofit hospices report on bereavement services.

From a national perspective, hospice care has seen a remarkable shift over the past decade, with more than two-thirds of hospices nationwide now operating as for-profit entities, many of which are private equity firms with the goal of profit in mind. The State has an opportunity to prevent this dynamic.

This bill was vetoed by the Governor in 2022 with the reasoning that the Master Plan for Aging will address this issue. Given the market forces in this sector, we believe making this statutory change at this time, outside of the master plans extensive deliberative process, makes more sense.

New York's not-for-profit hospices provide high quality services with high satisfaction. They also serve their communities with bereavement services, charity care, and advance care planning education, making patient care and preferences their primary consideration. We urge the State to move forward with the goal of supporting and building this incredibly dedicated workforce and ensuring that patients receiving end of life care are considered first and foremost.

For the above reasons, we urge the prompt passage and enactment of this important legislation.

LeadingAge New York represents over 400 not-for-profit and public long term care providers, including nursing homes, home care agencies, senior housing, retirement communities, assisted living, adult care facilities, adult day health care and managed long term care.