



NEW YORK STATE SENATOR

Liz Krueger

## Legislature Passes Bill Banning New For-Profit Hospices

LIZ KRUEGER April 9, 2025

| ISSUE: **HOSPICE, OLDER ADULTS**



**Albany** – Today, the State Senate passed S.3437, carried by Senator Liz Krueger, a bill that would be ban new for-profit hospices in New York State. The bill, carried in the Assembly by Assembly Member Amy Paulin, passed that house on March 26th.

"When our loved ones or we ourselves enter hospice, we are putting our trust in that institution to care for us at the most vulnerable period of our lives," said **Senator Krueger**. "We will all be in that situation at some point, and the idea that decisions about our care would be

influenced by the profit motive, that corners would be cut to make an extra buck, potentially leaving patients and families suffering needlessly, is something that we should not abide in New York. We have the chance to prevent New York from becoming the next chapter in a growing national problem. I urge Governor Hochul to sign this bill."

An article published in 2022 by ProPublica, titled "[Endgame: How the Visionary Hospice Movement Became a For-Profit Hustle](#)," shined a light on multiple instances of fraud targeting the Medicare hospice benefit. It illustrated how patient care suffers when bad actors are able to manipulate its original intent and purpose.

An [earlier article](#) published in the Journal of the American Medical Association found that "for-profit compared with nonprofit hospices provide narrower ranges of services to patients, use less skilled clinical staff, care for patients with lower-skilled needs over longer enrollment periods, have higher rates of complaint allegations and deficiencies, and provide fewer community benefits, including training, research, and charity care. For-profit hospices are more likely than nonprofit hospices to discharge patients prior to death, to discharge patients with dementia, and to have higher rates of hospital and emergency department use."

Health insurance, including Medicaid and Medicare, pay hospices a set daily rate for providing care to patients who are in the last six-months of their lives. Considerable evidence shows that for-profit hospices seek out patients who require less intensive (and costly) care to maximize profit for their shareholders. Stable patients require fewer expensive medications and supplies than those with more complex needs or who are closer to death. For-profit entities provide a lower quality of care, and often discharge patients whose conditions worsen, to maximize profit.

Nationally, for-profit hospices are shown to accept fewer critically ill patients, provide 10% fewer nursing visits, 35% fewer social worker visits and 50% fewer therapy visits than not-for-profit hospices. This reduction of care yields a 20% net margin on care for for-profit hospices compared to 3% for not-for-profit hospices.

For-profit organizations have a duty to their owners to generate as much profit as possible and distribute net income to the owners. Their obligations to the people they ostensibly serve are secondary. This is especially troubling in the case of hospice. The mission of hospice, providing compassionate end-of-life care, should not be subservient to providing profit to investors.

S. 3437, which was previously vetoed by Governor Hochul in 2022, would prohibit the approval of new applications for the establishment, construction or increased capacity of for-profit hospice entities. New York is uniquely situated to prevent the deterioration of end-of-life care described above, as currently only two of 41 hospices in New York are for-profit, compared to a national average of two-thirds as of 2017.

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#### RELATED LEGISLATION

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### 2025-S3437

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- Introduced

- ◦ In Committee Assembly
  - In Committee Senate
- ◦ On Floor Calendar Assembly
  - On Floor Calendar Senate
- ◦ Passed Assembly
  - Passed Senate
- Delivered to Governor
- Signed By Governor
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Relates to prohibiting the establishment of new for-profit hospices

January 27, 2025

Senate Floor Calendar

Sponsored by **Liz Krueger**

Do you support this bill?