

Pricing and Economic Benefits of Commercial Insurance Incorporated into Home-based Hospice Care

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Abstract : Hospice care for terminally ill patients provides not only a better quality of life but also cost-saving benefits. However, the utilization of home-based hospice care (HBH care) remains low even for countries covered by National Health Insurance (NHI) programs in Taiwan. In the current commercial insurance policy, only hospital-based hospice benefits were covered. It may have an influence on the insureds chosen to receive end-of-life care in a hospitalized manner. Thus, how to propose a feasible method to advocate HBH care utilization rate of public health policies is an important issue. A total of 130,219 cancer decedents in the year 2011-2013 from the National Health Insurance Research Database (NHIRD) in Taiwan were included in this study. By adding a day volume pays benefits of HBH care as a commercial insurance rider, will provide alternative benefits for the insureds. A multiple-state Markov chain model was incorporated to estimate the transition intensities of patients in different states at the end of their lives (Non-hospice, HBH, hospital-based hospice), and the premiums were estimated. HBH care insurance benefits provide financial support and reduce the burden of care for patients. The rate-making of this product is very sensitive while the utilization rate is rising, especially for high ages. The proposed HBH care insurance is a feasible way to reduce the financial burden, enhance the care quality and family satisfaction of insureds. Meanwhile, insurance companies can participate in advocating a good medical policy to enhance the social image. In addition, the medical costs of NHI can reduce effectively.

Keywords : home-based hospice care, commercial insurance, Markov chain model, the day volume pays

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