

Sustainability Strategies for Community-based Palliative Care

A Blueprint for Supporting Rural Palliative Care Services

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Stratis Health, based in Bloomington, Minnesota, is a nonprofit organization that leads collaboration and innovation in health care quality and safety, and serves as a trusted expert in facilitating improvement for people and communities.

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Overview

Financing and reimbursement are primary challenges in developing and sustaining community-based palliative care services. Stratis Health has gathered a summary of field-tested strategies and supporting resources to assist rural community-based palliative care programs in identifying strategies to support and sustain services. We also highlight emerging opportunities for supporting the implementation of palliative care services that align with the shift to a value-based reimbursement environment.

This guide was originally developed with input from roundtable discussions held in 2018 with nine rural palliative care programs based in Minnesota and surrounding states. The purpose was to learn more about program structure and approaches to supporting a business case for developing and sustaining services. Themes from the roundtables are summarized, and examples and resources to develop sustainability strategies to support community-based palliative care services are included. While the overall themes have not changed, the resource is updated periodically to reflect the ongoing changes in the healthcare reimbursement landscape.

Why Focus on Rural Palliative Care?

The goal of palliative care is to prevent and relieve suffering and support the best possible quality of life for patients of all ages with advanced or complex illness, along with their families. Although closely linked, palliative care is not synonymous with hospice. In this country, hospice care is specifically defined by benefit coverage focused on people who are in the last stages of a terminal illness. In contrast, palliative care can be offered side-by-side with curative care at any point in the disease process. Palliative care is an approach to managing serious illness that centers on quality of life. Caring for the whole person with an interdisciplinary approach is its cornerstone.

As often is the case in health care, the wealth of palliative care strategies have been designed around large hospitals and health systems and do not usually translate in smaller, rural communities. Recognizing this gap, Stratis Health has pioneered the development of community-driven models for palliative care services in rural communities for more than a decade.

Rural community-based palliative care teams face several challenges related to financing and reimbursement:

- Only some members of an interdisciplinary palliative care team can bill for direct services, and there are limited codes that allow a clinician to bill for oversight of another team member.
- Medicare and most other payers do not offer a distinct benefit for palliative care services.

Critical access hospitals currently do not have the same financial incentives as larger hospitals to reduce readmissions or hospital length of stay.

Sustainability Strategy Themes

In the initial development of palliative care services, rural palliative care program roundtable participants did not include financial sustainability as a key consideration. They focused on the underlying value, structure, and process for delivering the services and typically launched their programs with limited clients. Most programs indicated that reimbursement limitations hampered their capacity to provide palliative care services. Additional community needs could be met if additional mechanisms were available to cover costs for the services. Most rural programs use multiple financial strategies to plan for sustaining palliative care services in their communities. Strategies varied by program.

We'll explore the sustainability strategy themes that emerged from the roundtables (Figure 1) in detail on the following pages.

Figure 1. Rural Palliative Care: Strategies for Sustainability

Billing and Traditional Reimbursement	Grants and Philanthropy	Value-Based Contracting	Emerging Opportunities
<p>What: Direct billing for specific services through Medicare, Medicaid, or private plans.</p> <p>How: Provider Visits: Physician, APRN/PA, MSW (in some situations) • E&M codes</p> <p>Medicare Care Management Codes (e.g.): • Advance Care Planning (ACP) • Chronic Care Management (CCM and Complex CCM) • Transition Care Management (TCM) • Advanced Primary Care Management (APCM)</p> <p>Align with other services: Incorporate as part of covered home health services for appropriate patients. Potential for earlier hospice admissions (as appropriate) and longer hospice length of stay.</p>	<p>What: Federal, state, local grant opportunities. Donations or local foundation funds (i.e., auxiliary).</p> <p>How: One-time grants are typically used to fund development costs. Local foundations might offset operating costs. Bequests or larger gifts can support services in a variety of ways.</p>	<p>What: Accountable Care Organizations (ACOs) Bundled payment program especially for oncology or heart failure Other population-based or risk-sharing arrangements</p> <p>How: Understand how focusing on patient goals and active care planning can help: • Reduce potentially avoidable utilization • Decrease use of high-cost treatments and medications as aligned with patient goals. • Generate savings, which can be used to re-invest and help cover costs of palliative care services.</p> <p>Request supplements or bonuses based on performance related quality metrics, such as rates of ED visits, readmissions, and patient satisfaction.</p>	<p>What: Medicaid programs, Medicare Advantage plans, and/or other payers develop palliative care reimbursement or benefit options (varies by state and market).</p> <p>How: Advocate for development of palliative care reimbursement options, or benefit and insurance coverage programs, ideally with implementation aligned across payers in a state/region.</p>
Underlying Value			
<p>Providing palliative care is the “right thing to do.” Improved quality of care and quality of life for patients with serious illness and/or complex needs. Increased likelihood for patients to continue receiving care in their community, close to family and friends. Increases patient and family/caregiver satisfaction. Supports clinician and staff satisfaction and resiliency Additional palliative care team support for complex patients can reduce clinician stress and enable time to see other patients</p>			

1

Underlying Value of Palliative Care

A key component of palliative care sustainability strategies is to highlight the underlying value of providing palliative care services to the community. Roundtable participants all identified quantitative and qualitative advantages that help justify their business case for offering services. Although reimbursement and financing for palliative care programs can be a challenge, all of the roundtable participants highlighted that one reason their organizations are committed to providing palliative care is that it is the “right thing to do.”

This theme of the underlying value—to patients, caregivers, families, and clinicians—of providing palliative care was highlighted in a variety of ways, including:

- Palliative care improves quality of care and quality of life for patients with serious illness and/or complex needs and provides support for families and caregivers.
- The additional support provided by a palliative care team can increase the likelihood that patients may be able to continue to receive care in their community, close to family and friends, and can help support the provision of care in the most appropriate section.
- Palliative care has regularly been shown to increase patient, family, and caregiver satisfaction regarding the treatment they receive. Patients and families often share these positive experiences with other community members, informally “marketing” services and highlighting a positive view of the local health care organizations.
- Access to the additional services and supports a palliative care team offers for complex and/or seriously ill patients can help increase staff and clinician satisfaction and resiliency. It may also allow additional time for primary clinicians to care for other patients.
- Palliative care teams can take the time to have conversations about prognosis and goals of care, giving the person more time to ask questions and supporting the primary care clinician while also promoting a team-based approach to care.
- Palliative care teams that use anticipatory care plans create a team environment where multiple health professionals can attend to the patient, which can reduce health provider stress.

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Billing and Traditional Reimbursement

Financial reimbursement for palliative care services generally happens in two ways under the Medicare physician fee schedule: billing fee-for-service (FFS) visits and billing for care management services.

Within FFS billing, some palliative care team members, such as physicians, nurse practitioners, and physician assistants, can bill for visits using Evaluation and Management (E&M) codes. In some situations, licensed clinical social workers also can bill for their time providing mental health services to patients receiving palliative care services.

In recent years, Medicare has added more billing codes related to better coordination of services that support care management. For care management reimbursement, palliative care teams can consider structuring service workflows that support billing under a variety of Medicare codes, such as:

- Advance Care Planning (ACP)
- Advanced Primary Care Management Services

- Chronic Care Management (CCM) and Complex Chronic Care Management (CCCM)
- Principle Care Management (PCM)
- Principle Illness Navigation Services (PIN)
- Social Determinants of Health Risk Assessment (SDOH) and/or Community Health Integration Services (CHI)
- Transition Care Management (TCM)

States may have regulations or options for reimbursing palliative care services to consider. For example, in Minnesota, organizations that are state certified as health care homes can bill for care management services.

Although not direct reimbursement for palliative care, roundtable participants also identified two ways they align palliative care support for patients with other reimbursement mechanisms. Some programs target patients receiving home health services through Medicare and incorporate palliative care support under that reimbursement. Others recognized that by providing palliative care services, they saw an increase in hospice admissions and hospice length of stay.

Medical billers inform planning

The billing team at Welia Health began by only billing TCM codes for its palliative care services. As the program, staffing, and billing knowledge expanded, FirstLight expanded billing to include ACP, CCM, and health care home (an MN-only code). A key to the program's success was including medical billers in meetings when getting the program up and running. Their input was essential to find ways to finance the palliative care services.

Resources

- [Care Management Medicare Reimbursement Strategies for Rural Providers](#). Understand the billing codes for chronic care management, transitional care management, and annual wellness visits. Rural Health Information Hub (RHIfhub).
- [Community-Based Palliative Care Fee-for-Service Billing Strategies](#). One-hour recorded webinar on billing FFS and care management codes. Includes a link to *Documentation and Coding Handbook*. California Health Care Foundation (CHCF), 2018.
- Centers for Medicare & Medicaid Services Physician Fee Schedule (CMS). Resources and FAQs.
 - [Advanced Primary Care Management \(APCM\) Services](#)
 - [Care Management \(including ACP, APCM, CCM, and TCM\)](#)
- [Documentation and Coding for Palliative Care](#). One-hour recorded webinar provides practical tips to build your program's capacity from a national expert, Tammy Norville. Documentation, coding, and billing practices to support successful revenue cycle management can help support the effective provision of Palliative Care and related services. (Stratis Health), 2020.
- [Embedded RN-led Clinics in Primary Care Practices](#). Description of a palliative care program in Oregon with a financial model that includes increased hospice utilization to offset the provision of palliative care services. Center to Advance Palliative Care (CAPC), 2018.
- [Medicare Learning Network](#). Educational materials for healthcare professionals. CMS.
 - [Advance Care Planning \(ACP\) code fact sheet](#).
 - [Chronic Care Management \(CCM\) and Complex CCM code fact sheet](#).
 - [Transition Care Management \(TCM\) code fact sheet](#).

- [Health-Related Social Needs \(HRSN\) Codes Implementation Resources](#). Partnership to Align Social Care, 2025.
- [Optimizing Billing Practices Toolkit](#) Center to Advance Palliative Care (CAPC), 2025 (Some resources require member login).
- [Top 10 Tips for Using Advance Care Planning Codes in Palliative Medicine and Beyond](#). Journal of Palliative Medicine, 2016.

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Grants and Philanthropy

Donations from local foundation funds or direct charitable giving, along with grant funding from local, state, or federal funds, can help support palliative care services.

Government grants are often only available as one-time funding and are typically provided to support program development. Funding from local foundations (such as a hospice foundation or hospital auxiliary) or direct charitable giving can be either short-term or long-term. These funds might be used to offset the costs of providing palliative care or dedicated to specific resources or projects.

Private bequest supports palliative care program:

Hospice of Douglas County supports its palliative care program with funding from a large individual bequest, with the donation earmarked for palliative care services in the community. This allows the program to structure services based on identified needs in the community and not be limited by having to align with payer reimbursement structures such as insurance company requirements. The program can only support the level of service funded by the bequest's annual budget. The county's palliative care program is integrated into its hospice agency. Hospice team members run palliative care visits as consultations. This can limit follow-up and create a challenge to providing continuous palliative care services.

Resources

- [Applying for Grants to Support Rural Health Projects](#). Information on creating lasting partnerships and tips for writing a successful grant application. RHIhub.
- [How to use Rural Health Information Hub's Funding Resources and Services](#). Includes funding and opportunities, determining if your location meets the rural eligibility requirement for certain funding programs, and finding data, research, and additional resources to support program development and your grant applications. RHIhub.
- [Guide to Working with Rural Philanthropy](#). Emerging practices and resources to support rural communities looking to build relationships with philanthropies. RHIhub.

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Value-based Contracting

More rural health care organizations are participating in value-based contract arrangements such as shared-savings programs, accountable care organizations (ACOs), bundled payments, or other population-based or risk-sharing arrangements. Recognition is growing that palliative care services can be a valuable tool in helping manage high-risk patients who have complex care needs and chronic conditions, focusing on the management of symptoms and enhanced quality of life. The needs of these patients are generally not well met in acute care settings or emergency departments. The coordinated and multi-dimensional approach to care offered by palliative care services

has been proven to generate better outcomes at a lower total cost. All types of payers are adopting value-based contracting, including Medicare, Medicaid, and commercial payers.

The focus of palliative care on understanding patient goals and active care planning can help to achieve the types of changes in care delivery and utilization, which align well with value-based contracting, such as:

- Reduce potentially avoidable utilization.
- Decrease use of high-cost treatments and medications as aligned with patient goals.
- Generate savings by meeting quality or utilization-based incentive targets.

Shared savings or cost reductions can be shown, for example, by comparing the number of hospital or ED visits for patients before and after the provision of palliative care. Estimates can also be made on a case-by-case basis, estimating the number of ED visits and hospital readmissions prevented, the number of reduced medical tests, and choosing less aggressive treatments that align with patient choice. When sharing these cost savings estimates, it is important to not only share the figures and be able to explain them but also to tell a patient story.

Patient stories paired with cost-saving estimates to support value

Avera McKennan (Sioux Falls, SD) and Avera Sacred Heart Hospital (ASHH, Yankton, SD) have collaborated to work toward having integrated models of care focusing on standardization of palliative medicine services across the regions. Both facilities collect data to provide accurate comparisons and show the value of the services. Avera McKennan shows the value of its palliative care program by estimating avoided costs for all the program's patients. Once a patient is enrolled in the program, the palliative care team does an extensive review of each patient's medical record and history and estimates how many unnecessary readmissions, treatments, and medical tests were likely avoided. These unused health care services are given a CPT code or estimated cost to determine the total cost saved for each patient on palliative care. The costs are presented to the administration team with a patient story to provide the context for the value of palliative care. Patient stories allow the administration to better understand how the services impact patients' lives in addition to avoiding costs.

Resources

- [Building the Value Case for Complex Care Toolkit](#). Information, tools, and resources to help programs make the case for complex care initiatives. National Center for Complex Health and Social Needs, an initiative of the Camden Coalition, 2021
- [Catalog of Value-Based Initiatives for Rural Providers](#). Summary of federal value-based programs that might be appropriate for rural participation. Rural Health Value, 2024
- [The Case for Community-Based Palliative Care](#). Includes key data on the value of community palliative care, program profiles, and a case example to use with leadership. CAPC, 2024.
- [Making the Case](#). Resources for demonstrating quality and financial impacts of community-based palliative care services. CHCF.
- [Palliative Care: Making the Value Case Toolkit](#) Introduces payment concepts to support sustainable relationships with payers and other risk-bearing entities. CAPC, 2025. (some resources require member login).
- [The Value of Palliative Care PowerPoint Presentation](#). Users can use this presentation as the basis for their own discussions with administration, health plans, and partners in their communities CAPC, 2019

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Emerging Reimbursement Opportunities for Palliative Care Services

As health care reimbursement continues to evolve and the value of palliative care services continues to be demonstrated, new opportunities to support the implementation and sustainability of palliative care services are emerging. State Medicaid programs, Medicare Advantage plans, and other health care purchasers are incorporating palliative care reimbursement or benefit options. Progress and implementation vary widely by state and market.

Rural palliative care programs should consider working with state agencies, associations, and partners to advocate for the development of palliative care reimbursement or benefit programs, ideally with implementation aligned across payers, the state, or region so that programs do not have to meet multiple requirements across multiple payers to be eligible for reimbursement.

California leads the way in supporting palliative care

Starting in 2018, California required Medi-Cal (Medicaid) managed care plans to provide access to palliative care for certain diagnoses and implemented a training program for eligible providers. Some of the commercial plans in California also support palliative care programs. Efforts have been underway with a multi-payer consortium to align requirements and reporting mechanisms. In 2024, Hawaii received the first CMS State Plan Amendment to establish community palliative care services as a Medicaid-covered service.

Resources

- Medi-Cal. Articles on implementing California’s Medicaid home-based palliative care:
 - [Delivering Palliative Care to Medicaid Patients in California](#), CAPC, 2019.
 - [How California Is Changing Palliative Care](#), Next Avenue, 2018.
- Hawaii Medicaid State Plan Amendment (SPA)
 - [Hawaii Receives First Medicaid SPA for Community Palliative Care](#), National Academy of State Health Policy, 2024
 - [New Hawaii Medicaid Palliative Care Benefit](#), CAPC (2025)
- [Palliative Care Resource Center](#). National Academy of State Health Policy (NASHP) provides resources and support for states to implement and expand high-quality palliative care. Key resources include:
 - [How States Can Embed Palliative Care in Health Care Reform Initiatives](#). Includes a variety of examples of current activities and models to advance access to palliative care. 2023
 - [Seven Steps for Building a Community-Based Palliative Care Benefit Within Medicaid](#). Steps to help guide the state planning process to support palliative care within Medicaid programs. 2022
 - State Trackers Related to Palliative Care:
 - [Recent State Actions that Support and Expand Palliative Care](#), 2024
 - [Palliative Care Advisory Task Forces](#), 2024
 - [States with Palliative Care Information Programs](#), 2024

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For more information on building community-based palliative care in rural communities, visit Stratis Health's [Rural Palliative Care Resource Center](#).