

Eli's Hospice Insider

Budget: MedPAC Poised To Call For Hospice Cap Cut, Rate Freeze For 2023

Hospice industry is full of bad actors, one commissioner claims.

For hospices wondering why the Medicare Payment Advisory Commission is so hard on their payment rates, comments at its latest public meeting spell it out.

"We need to do more work to get rid of the bad actors" in hospice, said Commissioner **Marjorie Ginsburg** in MedPAC's Dec. 9 meeting. "If we do that ... we can then focus the resources to the rural communities," said Ginsburg, an RN formerly with the nonprofit Center for Healthcare Decisions Inc. in California. The MedPAC commissioners discussed in the meeting the issue of hospice access and utilization in rural areas, particularly frontier areas.

"We have far too many bad actors in this one category, more so, I think, than almost any other category that I'm familiar with," Ginsburg claimed in the meeting's discussion of hospice payment adequacy.

"I ... hope in future work we can look at hospice[s] with very high live discharge rates ... because there seems like there's some questionable actors in that category," said Commissioner **Brian DeBusk**, CEO of healthcare tech firm DeRoyal Industries in Tennessee.

Multiple commissioners remarked on the industry's relatively high profit margin of 13.4 percent in 2019. That was up from 12.4 percent in the previous year, MedPAC staff



Kim Neuman pointed out in the meeting. MedPAC projects hospices' 2022 margin will be back down to 12 percent.

All commissioners gave tentative approval to two recommendations for the advisory body's forthcoming annual report to Congress in March - freezing Medicare payment rates for hospices in 2023, and cutting the aggregate cap amount by 20 percent that year. They also want the Centers for Medicare & Medicaid Services to wage-adjust the cap amount.

Reducing the cap by 20 percent would cut 3.7 percent from Medicare hospice spending, Neuman said. In 2019, 19 percent of hospices exceeded the cap.

These draft recs are "a repeat of recommendations from the previous two reports," notes the National Association for Home Care & Hospice. Congress has not yet taken up the freeze or cap reduction suggestions.

Telehealth Visit Reporting May Be On The Horizon

Payment rates weren't the only hospice-related recommendation. Commissioners also voiced unanimous support for requiring agencies to report telehealth services on Medicare claims.

"The lack of information about the frequency, duration, or mode of telehealth services received ... makes it challenging to characterize service use under the benefit," MedPAC staffer **Evan Christman** noted during the Dec. 10 meeting's home health discussion.

For once, NAHC and MedPAC are in agreement. NAHC "has strongly urged the Centers for Medicare & Medicaid Services (CMS) to begin collection of data related to telecommunications-based visits to ensure more complete knowledge of

services that are being provided as part of the hospice benefit,” the trade group notes in its member newsletter.