

Eli's Hospice Insider

Budget: MedPAC Wants Reimbursement Cuts For Nursing Home Patients

Copays, pay updates and hospice in SNFs feature in advisory body's latest suggestions.

Often, the hospice industry gets a bye in budget-cutting negotiations. But this year, hospices' rising for-profit profile and growth have landed them in policymakers' crosshairs.

In its September meeting, the **Medicare Payment Advisory Commission** proposed a set of draft recommendations including hospice items. MedPAC suggests a hospice payment update of only 1 percent in 2012 (which took effect Oct. 1).

MedPAC also recommends reducing hospice rates in nursing homes by 6 percent. That suggestion is based on a recent **HHS Office of Inspector General** report about "high percentage hospices" who serve many patients in nursing homes (see Eli's Hospice Insider, Vol. 4, No. 9, p. 60). The OIG report recommends reducing Medicare payment rates for hospice patients residing in nursing facilities.

MedPAC's suggestion would strip \$3 billion from Medicare hospice spending over 10 years, the commission estimates.

Hospice payment updates should remain intact given the "low financial margins across the sector, the ongoing phase-out of the BNAF, and current efforts to refine the payment system," the **National Association for Home Care & Hospice** contends.

Plus, study data suggests "some hospices are actually losing money on care provided to nursing home residents," the trade group argues. "This change would most harm providers that are least able to absorb such losses."

Stay tuned for whether legislators will heed MedPAC's advice to cut the budget.