

Eli's Hospice Insider

Hospice News: Hospices Mull Actions As IRS Increases Mileage Rate

Payers must recognize cost impacts, industry rep says.

Gas prices may be inching back down from record highs, but hospice visiting staff are still taking a major hit to the pocketbook.

The Internal Revenue Service now acknowledges the increased burden. "For the final 6 months of 2022, the standard mileage rate for business travel will be 62.5 cents per mile, up 4 cents from the rate effective at the start of the year," the federal agency says in a release. The change took effect July 1.

"The IRS is adjusting the standard mileage rates to better reflect the recent increase in fuel prices," IRS Commissioner **Chuck Rettig** says in the release. "We are aware a number of unusual factors have come into play involving fuel costs, and we are taking this special step to help taxpayers, businesses and others who use this rate," Rettig notes.



"Midyear increases in the optional mileage rates are rare," the agency points out. "The last time the IRS made such an increase was in 2011."

Home health and hospice agencies often base travel reimbursement policies on the IRS rate.

"While this decision is welcome, it is important that government payers like Medicare and Medicaid increase payment rates to recognize cost increases impacting the entire economy, particularly health care," National Association for Home Care & Hospice President **William Dombi** says.

How you decide to structure your travel reimbursement is up to you, however. "The IRS business standard mileage rate is optional, not required," the DOL Wage and Hour Division said in an opinion letter in 2020.

At press time regular gas was averaging \$4.68 per gallon nationwide, up from \$3.14 a year ago, according to AAA's Gas Prices webpage. The highest ever gas price recorded was \$5.02 on June 14, AAA says.