

Eli's Hospice Insider

Hospices Take Tough Cost Containment Steps

Federal court shoots down lawsuit against the BNAF cuts

Medicare's hospice cuts that took effect Oct. 1 are causing pain for providers, but they won't get relief from the National Hospice and Palliative Care Organization's lawsuit on the matter any time soon.

A Washington, D.C. federal court dismissed NHPCO's lawsuit based on jurisdiction. NHPCO hopes to pursue administrative resolution and then take the lawsuit back to the court, if necessary, it says.

"While the Court's action ... did not declare the [Centers for Medicare & Medicaid Services] rate cuts invalid, it did allow for the eventual resolution of the issue in question," **Jonathan Keyserling** of the Alliance for Care at the End of Life says on NHPCO's Web site. "It is best to think of this as a detour on the road to resolution, rather than a roadblock."

The worst of the budget neutrality adjustment factor (BNAF) cuts won't even hit until next year (see related story, p. 17). But hospices are suffering already under the cuts, according to a story from The Wichita Eagle.

One Wichita hospice (Trinity Hospice) has closed, another (Advantage Home Care & Hospice) is for sale, and yet another (Harry Hynes Memorial Hospice) has implemented layoffs, the newspaper reports.

Hospice Care of Kansas has looked to operations to cut costs, regional vice president **Cindy Keim** told the Eagle. The provider has lengthened the time between management meetings that require travel and changed its conference call provider, for example.

Strategy: Hospices are looking to places other than direct patient care for spending reductions, **Judy Brunger** with The Carolinas Center for Hospice and End of Life Care tells **Eli**.

Arkansas hospices "keep returning to the basics of cost containment," relates **Jane Evans** with the Arkansas State Hospice & Palliative Care Association. "Control supplies, continuously adjust staffing levels and monitor productivity, [and] strive to admit patients earlier in their terminal phase rather than later."

Utah hospices may have to skip staff raises to keep operations going, says **Dan Hull** with the Utah Hospice & Palliative Care Organization.

Wisconsin hospices have planned ahead in terms of purchases, staffing, and other strategic decisions, adds **Melanie Ramey** with The Hospice Organization and Palliative Care Experts of Wisconsin.

Georgia hospices are also taking a hard look at "direct costs related to patient care, including all clinical and non-clinical labor, medications, medical supplies, and durable medical equipment," says **Jennifer Hale** with the Georgia Hospice and Palliative Care Organization. "While it is paramount to continue providing exceptional patient care, every expense is being reviewed for inefficiencies which may lead to a reduction in the number of patients served effectively."

Roots: Cost containment is not a new concept for hospices, points out **Greg Martin** with the Alabama Hospice Organization. "Hospice was managed care before managed care was even a coined phrase," he tells **Eli**.

Hospices also continue to reach out to their elected representatives in hopes of securing help with the BNAF cuts from Congress. Lawmakers could take up the matter next year to avoid the steepest cuts.

New reality: But the hospice industry will probably have to get used to the idea that it will be under more scrutiny and tighter reimbursement for some time to come, Martin predicts.

Skyrocketing growth in hospice utilization and spending coupled with some hospices not following best practices procedures mean the government wants more assurance that it's getting what it's paying for, he notes. "It makes it harder for those going by the rules," he laments.