

Eli's Hospice Insider

Industry Notes: Cross Your Fingers: A 1% Pay Increase Could Be Headed Your Way

Medicare hospice spending has increased 300% over seven years.

Hospices would see a 1 percent payment rate increase for Medicare in 2012, if an influential advisory body to Congress gets its way.

That increase would be down from hospices' 1.8 percent increase this year, notes the **National Association for Home Care & Hospice**. But the 1 percent update would be better than the zero percent update or cuts that the **Medicare Payment Advisory Commission** recommended for other provider types.

MedPAC based its recommendation to Congress, which will be contained in its March report, on hospices' 4.2 percent average profit margin figure for 2011, notes the **National Hospice and Palliative Care Organization**.

Medicare spending on hospice has increased greatly from 2002 to 2009, from \$2.9 to \$12 billion, MedPAC noted in its Jan. 14 meeting. And the average length of stay has increased from 54 days to 86 days in that time, but median length of stay has remained at just 17 days.

During that time period, the percent of beneficiaries who died using hospice increased from 23 percent to 42