

Eli's Hospice Insider

INDUSTRY NOTES : President Obama's Proposed Budget Holds Good News for Hospices

While President Obama's proposed budget for 2010 cuts Medicare funding for some healthcare sectors, so far hospice doesn't seem to be one of them. But the budget does ramp up investment in compliance efforts, which the president sees as part and parcel of healthcare reform.

The Obama administration plans to shave \$20 billion from Medicare spending through increased program integrity activities, reports the National Association for Home Care & Hospice.

Enhanced funding for fraud-fighting will enable "the Centers for Medicare & Medicaid Services to more rapidly respond to emerging program integrity vulnerabilities, identify excessive payments, and establish new processes for correcting problems," the proposal says.

The president also wants to start paying hospitals based on pay for performance (P4P) and bundling hospital and physician services for payment.

Medicare Advantage plans also appear to be under the fiscal microscope. The president proposes to cut funding for MA plans by subjecting them to competitive bidding, among other changes.

What's ahead: The president's budget proposal and MedPAC's congressional report are the opening shots in a budget battle that is expected to wage all year. Providers can expect to see actual budget legislation, including possible cuts not even proposed yet, finalized at the end of the congressional session.