

Eli's Hospice Insider

LEGISLATION: Hospices Win Millions in Stimulus Bill

IT funding could also be a perk.

Hospices have won back \$135 million in Medicare funding for 2009, thanks to an uphill battle in the recently enacted economic stimulus bill.

Hospices' hopes were dimmed when the Senate did not include the measure, which delays the Budget Neutrality Adjustment Factor (BNAF) cut for one year, in its pared-down economic stimulus legislation. But when the Senate and House compromised on a bill to send to President **Barack Obama**, the hospice provision made it in, and the president signed it into law.

The achievement is "a significant victory," the National Hospice & Palliative Care Organization cheers in a release.

About "3,000 hospice provider jobs were threatened to be cut this year" due to the reimbursement reduction that took effect Oct. 1, 2008. Some hospice programs, especially small and rural ones, were in jeopardy as well, NHPCO points out.

The bad news: "BNAF will be taken away again on Oct. 1 unless Congress acts this year," says **Janet Neigh**, VP of hospice at the National Association for Home Care & Hospice. "Elimination of the BNAF will result in a 4 percent cut in hospice reimbursement rates," Neigh told **Eli** in an interview.

"The average hospice has a profit margin of about 3.5 percent," Neigh says. "This cut could cause hospices to close, resulting in loss of access to the hospice benefit for the terminally ill," she adds.

Hospice trade groups are working with legislators, however, to permanently restore the BNAF.

In the Meantime ...

The economic stimulus law requires the Centers for Medicare & Medicaid Services to recompute and apply the final wage index for FY 2009 as if there had been no reduction due to the BNAF phase-out, CMS' **Lori Anderson** noted in a recent Open Door Forum for hospice and other home care providers.

"To implement the provision in this law, CMS is currently working to install the new pricing in the claims processing system as soon as possible," Anderson told forum participants.

No extra work: In the meantime CMS won't hold hospice claims but will process them as usual under the old payment rules. Once the system is updated, CMS' contractors will reprocess the claims automatically.

CMS will issue more information on the claims reprocessing timing and other provider education as soon as possible, Anderson pledged.

IT Funding Also a Potential Plus

Information technology funding in the stimulus bill could also help hospices develop IT data collection, or that's the hope, says NAHC's Neigh. "Hospices are having to gear up electronically in order to meet the requirements as part of the new COPs now in effect."