

Eli's Hospice Insider

Legislation: MedPAC Wants Payment Rates To Stay Flat

Plus: Commission wants more scrutiny of your long-stay patients.

Congress won't give hospices a payment increase for 2014 -- if the **Medicare Payment Advisory Commission** gets its way.

At its Jan. 11 meeting, MedPAC voted to recommend to Congress that no payment increases should occur for hospices in 2014. The Commissioners added that should the sequester provisions involving the automatic 2-percent pay cut occur, Congress should disregard the recommendation.

MedPAC also discussed a myriad of other hospice-related issues at the meeting, reports Washington, D.C.-based **Leading Age**, formerly the **American Association of Homes and Services for the Aging**. Those topics included the fact that Medicare payments for hospice services are 7.5 percent higher than the cost of providing those services, with a projected Medicare margin for hospice in 2013 of 6.3 percent. The number of hospice providers is increasing, but mostly due to growth in for-profit providers, MedPAC says.

Another issue that came up in the meeting was MedPAC's uncertainty regarding whether hospices are providing services to Medicare beneficiaries who really need them, reports Leading Age's **Peter Notarstefano**, Director of Home and Community-Based Services. MedPAC is concerned about studies showing that Hispanics and African Americans utilize hospice services less than the general population.

Brace yourself: Yet another issue is the increasing number of beneficiaries using hospice services, as well as the large Medicare expenditures associated with long-stay patients. MedPAC believes that some hospices are inappropriately providing services because they're incentivized by rewards for long-stay hospice patients, Notarstefano says. MedPAC will recommend to Congress that Medicare watchdogs should perform a focused medical review of any hospices with many long-stay patients.

Look out: Also in MedPAC's March 2013 report to Congress, the Commission will recommend a revised payment system, which would involve higher per-diem payments at the beginning, a decline in payments in the middle, and then an increase at the end of the episode near the time of death, Notarstefano reports.

Note: You can view presentation slides from the MedPAC meeting at www.medpac.gov/transcripts/hospice_January2013public.pdf.