

Eli's Hospice Insider

Reimbursement: Harsh MedPAC Hospice Recommendations Appear Tone Deaf In Pandemic

Cuts would delay hospice admissions or narrow access.

Hospices and their representatives aren't taking MedPAC's latest hospice reimbursement recommendations lying down.

When lawmakers go looking for budget savings to fund their initiatives, they shouldn't look to hospice payment - especially through cap cuts. So say hospices and their representatives.

"The 20 percent reduction in the annual payment cap could be catastrophic for a large number of agencies - or will at least require a shift in the timing of bringing patients into hospice," forecasts **Mark Sharp** with BKD in Springfield, Missouri.

While the cap cut "would generally affect hospices with higher margins ... the change would also significantly impact many rural providers unable to survive payment reductions that would result," warns consulting firm The Health Group in Morgantown, West Virginia.

The recommended cap cut "will negatively impact access to care and potentially drive people to more expensive care settings," cautioned the National Hospice and Palliative Care Organization when MedPAC approved the recommendation in January. "Hospice providers have noted that these dramatic cuts could result in unintended hospice closures, particularly in low wage index and underserved areas."



"This approach is overly broad and careless, especially in light of the strain put on providers by the COVID-19 pandemic," NHPACO President **Edo Banach** said. "We urge MedPAC to use a targeted approach that will have a higher likelihood of rewarding high quality and improving access," he added in a release.

"I have serious reservations with the recommendation to cut the hospice program in the midst of a global pandemic," **Liz Fowler**, CEO of Bluegrass Care Navigators in Kentucky, said in the NHPACO release. "Given the unprecedented challenges hospice organizations are already facing while providing care to individuals in the safety of their own home, the policy recommendations could ultimately limit access to high-quality hospice and palliative care services," Fowler said.

"Additional cuts will only compound a host of issues the community is already struggling with, including reimbursement issues related to increased PPE costs and increased staffing costs," **Samira Beckwith**, CEO of Hope Healthcare in Florida, said in the NHPACO release.

"The cap reduction proposed would disadvantage any hospice that serves patients with non-cancer diagnoses, such as dementia, as these patients tend to increase risk of exceeding the cap," stresses National Association for Home Care & Hospice President **William Dombi** in report analysis. The recommendation is "dangerous," he adds.