

Eli's Hospice Insider

Reimbursement: Medicare Bumps Up Hospice Rates By 1.4% In October

Sequestration reductions likely to continue to harm hospices' bottom lines.

Hospices can count on a modest pay increase for the coming year.

In its hospice payment final rule for 2015, the **Centers for Medicare & Medicaid Services** sets a 1.4 percent payment increase for Medicare hospice payment rates starting Oct. 1 (see box below for rates). That's up slightly from the 1.3 percent increase in the proposed rule from earlier this year.

Watch out: If the 2 percent sequestration reduction continues in fiscal year 2015, hospices will see a 0.6 percent decrease in rates, warns one trade group in its analysis of the rule.

But that's a reduction from 2014's pre-sequestration rate, points out financial expert **Mark Sharp** with **BKD** in Springfield, Mo. "It is not an additional 2 percent decrease every year," he explains. "While sequestration is not going away, it doesn't mean an additional 2 percent decrease."

Thus, if the government actually lifts the sequestration cut, hospices will see a 2 percent increase on top of the 1.4 percent outlined in the final rule, Sharp says. But don't count on that happening any time soon. "We don't know when they might lift the sequestration," he tells Eli.

Note: A link to the rule is at www.cms.gov/Center/Provider-Type/Hospice-Center.html in the "Spotlights" box.

