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**NATIONAL HOSPICE ORGANIZATION REACTS TO MEDICARE PAYMENT ADVISORY  
COMMISSION DRAFT RECOMMENDATIONS ON HOSPICE PAYMENT POLICY**

Washington, DC—Today, the National Partnership for Hospice Innovation (NPHI), a collaborative of not-for-profit, community-integrated hospice and palliative care providers from across the country, reacted to the influential Medicare Payment Advisory Commission's (MedPAC) unveiling of the chairman's draft recommendations concerning Medicare payment policy for hospice providers, which read:

The Congress should: For fiscal year 2021, eliminate the update to fiscal year 2020 Medicare base payment rates for hospice, and wage adjust and reduce the hospice aggregate cap by 20 percent.

This recommendation will be voted on by the Commission at its January meeting and, if approved, included in MedPAC's March 2020 Report to Congress.

Tom Koutsoumpas, President and CEO of NPHI, remarked, "We are disappointed by the draft recommendation that there be no update in current hospice payment rates, because, as MedPAC's own analysis shows, Medicare margins for not-for-profit hospices were only 2.5% in 2017, compared to 20.2% margins for for-profit hospices. NPHI's members and other not-for-profit, community-integrated hospices would have much more difficulty absorbing no rate increase in 2021 while the costs to deliver compassionate, high quality hospice care to Medicare beneficiaries continue to increase annually."

Koutsoumpas added, "However, we very much support the Commission's proposal to lower the aggregate hospice cap and calculate the cap for each hospice using its applicable wage index. We agree with MedPAC that this policy would effectively target the subset of hospice providers that achieve high margins by focusing on patients with much, much longer than average lengths of stay."

John Richardson, NPHI Chief Strategy Officer, commented, "As recent reports from the Government Accountability Office and HHS Office of Inspector General also found, some hospices are focusing on serving large numbers of long-stay patients, and these activities should be curtailed. We appreciate MedPAC's analysis of the disparate impacts of reducing the cap on for-profit and not-for-profit hospices, and we believe the results are indicative of not-for-profit hospices' commitment to focus on providing high quality hospice care to all Medicare beneficiaries in their communities."

Richardson continued, "Adjusting each hospice's aggregate cap by its wage index would make the cap more equitable by increasing it for hospices in areas with relatively high labor costs and decreasing it for hospices in areas with relatively low labor costs. We also urge the Commission to more broadly examine the current hospice wage index, which we believe needs reform and updating to reflect current labor market realities for all hospices."