NATIONAL COALITION FOR HOSPICE AND PALLIATIVE CARE

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July 23, 2019

The Honorable Chuck Grassley
Chairman
Committee on Finance
United States Senate

The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate

The Honorable Lamar Alexander
Chairman
Health, Education, Labor and Pensions Committee
United States Senate

The Honorable Patty Murray
Ranking Member
Health, Education, Labor and Pensions Committee
United States Senate

The Honorable Richard Neal
Chairman
Committee on Ways and Means
United States House of Representatives

The Honorable Kevin Brady
Ranking Member
Committee on Ways and Means
United States House of Representatives

The Honorable Frank Pallone
Chairman
Committee on Energy and Commerce
United States House of Representatives

The Honorable Greg Walden
Ranking Member
Committee on Energy and Commerce
United States House of Representatives

Dear Committee Chairmen and Ranking Members:

As America's population ages, we believe it is vital both to ensure the Medicare hospice benefit is available to dying Americans and that it continues to deliver the value that patients, their families, and all taxpayers deserve. It is for that reason that the organizations from the National Coalition for Hospice and Palliative Care (Coalition) are writing to express our deep concern with respect to the Medicare Payment Advisory Commission (MedPAC) recommendation to reduce the fiscal year 2019 Medicare base payment rates for hospice providers by two percent in fiscal year 2020.

The Coalition represents ten leading professional organizations dedicated to advancing the delivery of high-quality hospice and palliative care to all who need it. The national organizations that form the Coalition represent more than 5,300 hospice locations and their related personnel, 5,200 physicians, 1,000 physician assistants, 11,000 nurses, 5,000 chaplains, 8,000 social workers, researchers, and pharmacists, along with over 1,800 palliative care programs, caring for millions of patients and families each year across the United States.

After carefully reviewing MedPAC's recommendation, we submit that there are more targeted approaches to ensure the quality and sustainability of the Medicare hospice benefit than an across-the-board two percent cut, particularly given the risk that such a cut could have serious unintended consequences on Medicare beneficiary access to high quality hospice care.

Indeed, we believe the suggested cut would actually result in higher costs, not program savings. As documented in a recent study by Dobson | DaVanzo, hospice generates Medicare savings ranging from $2,309 to $17,903 per hospice user, depending on the length of stay and characteristics of the patient.[1] These savings are seen across all lengths of stay, with more pronounced savings among beneficiaries with more comorbidities and requiring hospital stays. Nor is this a new finding; an earlier analysis calculated that the Medicare program would have saved nearly $2 billion annually if 80 percent of decedent Medicare beneficiaries had used hospice for 24 months.[2] At present, however, only about 50 percent of decedents utilize hospice, and the median length of stay has remained constant at 18 days. A longer stay in hospice is beneficial for the patient and their family as symptoms are managed and support is provided during the dying process.

If all hospice providers are subjected to an across-the-board two percent reimbursement cut, we fear access to hospice care will suffer. Should that occur, the number of beneficiaries who are compelled to receive end-of-life care in more costly settings will rise. The result of this dynamic is that Medicare spending will increase as patients are forced into more expensive and less appropriate care settings.

With all due respect, we believe there is a better way.

The organizations in our Coalition are dedicated proponents of effective and efficient hospice care, with hospice serving as the culmination of services provided to seriously ill patients as they face terminal illness. Coalition members believe patients and caregivers should be supported from diagnosis through bereavement with seamless care delivery targeted to each patient's individual care needs. Services are provided by an equally integrated, interdisciplinary team of physicians, nurses, nurse practitioners, physician assistants, social workers, aides, counselors, chaplains, pharmacists, volunteers and any other member of the team identified in the plan of care for the patient and their family. Featuring common-sense approaches for person-centered care, the hospice care model is designed to advance patient choice, access to care (in both rural and urban communities), education and training, provider accountability, and program integrity.

Given the complexity of providing care to the seriously ill and dying, any suggested changes to the Medicare Hospice Benefit must be carefully considered, coordinated with pre-hospice care, measured, and informed by validated data. We believe such changes should also be undertaken with great sensitivity to ensure that the high-quality care hospice currently delivers remains accessible to all Medicare beneficiaries. It is for these reasons that we support reforms that would achieve savings and improve quality at the same time. Instead of cutting Medicare reimbursements for all hospice providers, savings could be realized by taking a more targeted approach. Specifically, we propose doubling the penalty for only those hospice providers that do not participate in quality reporting from a two to four

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[1] *Hospice: Leading Interdisciplinary Care*, DaVanzo, et al.. March 25, 2019. (https://www.nhpco.org/sites/default/files/public/regulatory/Hospice_Policy_Brief.pdf)

[2] Powers et al. Cost Savings Associated with Expanded Hospice Use in Medicare. J *Palliative Med.* 2015 May 1; 18(5):400-401.

percent reduction. This would reduce spending and further incentivize hospice providers to demonstrate their enduring commitment to high quality compassionate care for people they serve.

We thank you for your consideration in this matter and are committed to assist MedPAC and Congress as you work to promote sustainable access to high-quality hospice care. Should you have any questions or need more information about the Coalition please contact the Coalition's Executive Director, Amy Melnick at 202-306-3590, amym@nationalcoalitionhpc.org or for hospice specific questions, please contact NHPCO's CEO Edo Banach at (703 837 1500).

Sincerely,

Amy Melnick, MPA
Executive Director
National Coalition for Hospice and Palliative Care