

# MedPAC Discusses Ambitious Hospice Workplan

Source: NAHC

The Medicare Payment Advisory Commission (MedPAC) has a long history of examining the Medicare Hospice Benefit and over the years has made multiple recommendations that have resulted in hospice payment and policy changes. During its November [meeting](#), the Commission discussed four hospice projects that it intends to pursue over the coming years. The projects are as follow:

- The effect of hospice on Medicare spending
- The effect of the hospice aggregate cap on beneficiary outcomes
- Factors that contribute to nonhospice spending while patients are on hospice care
- End-of-life care for beneficiaries with End-stage Renal Disease

(MedPAC staff's slides from the meeting can be found [HERE](#))



**The Effect of Hospice on Medicare Spending:** Commission staff indicated that while it was presumed when the hospice benefit was created that it would reduce net Medicare spending, studies that they have reviewed indicate mixed findings. For example, a [2015 MedPAC contractor report](#) found that hospice did not result in net aggregate savings due to spending on long stay patients with non-cancer diagnoses. However, other studies (including ones conducted by the [National Bureau of Economic Research](#) and [NORC at the University of Chicago](#) for the National Association for Home Care & Hospice and the National Hospice and Palliative Care Organization) found savings for beneficiaries with dementia and for long-stay patients across all diagnoses. Additional studies indicated varied findings.

In the interest of further exploring the impact of hospice care on overall Medicare spending, MedPAC has contracted with the Urban Institute to study the effect of

hospice on Medicare spending. This research will include a literature review and assessment of methodological approaches and challenges, as well as conduct of analysis using multiple methodologies that include Part D spending. **Results of this study are expected in the fall of 2024.**

**Hospice Aggregate Cap:** MedPAC has studied “over cap” hospices for many years and found that these hospices have long lengths of stay, higher live discharge rates, and high margins. In response MedPAC has recommended that Congress wage adjust and reduce the hospice aggregate cap by 20%. MedPAC staff noted that a recent analysis indicated that “cap pressure” may increase patients’ likelihood of dying over the next year. MedPAC staff is currently examining whether the hospice cap policy is affecting patient outcomes by looking at admission, discharge, and mortality patterns by type of patient across the cap year and across providers.

**Nonhospice Spending for Beneficiaries Enrolled in Hospice:** Medicare spending outside of the hospice benefit under Parts A, B, and D while patients are on hospice care has been an ongoing concern of the Centers for Medicare & Medicaid Services (CMS) and MedPAC has begun to study this area of hospice in greater depth. Over the last year MedPAC staff and a contractor have conducted interviews with 12 hospice providers about factors contributing to non-hospice spending and have found a number of factors that contribute to this phenomenon, including:

- Lack of concrete CMS guidance on related vs. unrelated services
- Variation in hospice providers’ interpretation of policy and behavior
- Technological and logistical issues
- Little impact of the new Election Statement Addendum requirement

MedPAC staff will provide more in-depth detail of the findings of these interviews during the December MedPAC meeting and include findings in the March 2024 Report to Congress.

**End-of-life Care for Beneficiaries with ESRD:** Members of Congress and CMS have had increasing interest in ensuring appropriate end-of-life care for patients with ESRD and are particularly concerned that these decedents have lower hospice use rates than other decedents (28% vs. 47%, respectively). In the preamble to the FY2024 Hospice Payment Rule, CMS indicated that it would expect hospice to arrange for and cover the cost of dialysis if the hospice determines that it would be beneficial for a patient’s symptom control. MedPAC has launched a new project to examine issues related to hospice and palliative care for beneficiaries with ESRD that will include the following:

- Literature review on end-of-life care for beneficiaries with ESRD

- Interview of clinicians, providers, and stakeholders about beneficiaries' end-of-life care, including programs that provide kidney palliative care
- Data analysis examining hospice use patterns among ESRD beneficiaries
- Consideration of any implications for beneficiaries' access to care and Medicare payment policy

While it is anticipated that the public will see findings from some of these projects later this year (Urban Institute Study findings in September and information related to interviews on spending outside of hospice in December 2023 and as part of the 2024 Report to Congress) MedPAC Chair Michael Chernow, PhD, indicated that given the breadth of the work that MedPAC has undertaken in this area completion of all projects may take a number of years with reports at various times along the way.

In recent years, NAHC has commissioned valuable research related to the impact of hospice on overall Medicare spending (NORC study) as well as the negative impact of MedPAC's cap cut proposal on certain beneficiary populations. NAHC will continue to pursue these and other areas of exploration to ensure a fair and balanced approach to hospice policy deliberations.