



September 12, 2008

Senator Arlen Specter
711 Hart Senate Office Building
Washington, DC 20510

Dear Senator Specter:

On behalf of the National Hospice and Palliative Care Organization (NHPCO) and its more than 25,000 provider and individual members, I am writing in support of the Medicare Hospice Protection Act, which delays implementation of the phase out of the Medicare hospice budget neutrality adjustment factor during fiscal year 2009. NHPCO applauds your leadership in ensuring that all Americans have access to the high quality end-of-life care that hospice provides, and that hospice providers are not harmed or forced out of business by a devastating cut to their rates.

Last year, hospices cared for over 1.3 million Americans, and provided these patients and their families with the support they needed to spend their final days in comfort and with dignity. Patient satisfaction data shows that 98.5 percent of families would recommend hospice to others, reflecting a level of satisfaction unparalleled in the healthcare industry.

Nationally, margins for hospice providers average 3.4 percent, according to the Medicare Payment Advisory Committee's (MedPAC) 2008 report. Hospice care is reimbursed at a per diem rate, which is intended to cover all services by the interdisciplinary team, as well as pharmaceuticals, supplies, and durable medical equipment. With such a thin margin, and with the costs of providing care increasing daily, phasing out the annual adjustment to the hospice wage index would have a damaging effect on the hospice community, forcing hospices to scale back services or go out of business.

In light of a recent independent Duke University study, which demonstrated that hospice saves Medicare an average of \$2,300 per patient, amounting to more than \$2 billion annually, a cut to hospice reimbursement is short-sighted and irresponsible.

NHPCO commends your leadership on behalf of hospice care for Americans. We strongly support this important legislation, and we are committed to working with you to ensure its prompt passage in the 110th Congress.

Sincerely,

J. Donald Schumacher, PsyD
President and CEO