



September 23, 2009

The Honorable Max Baucus
Chairman, Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Baucus:

On behalf of hospice and palliative care providers and the more than 1.5 million patients, and their families, served by hospice each year, the National Hospice and Palliative Care Organization (NHPCO) would like to share some insight on the impact of America's Healthy Future Act on end-of-life care.

Title I, Subtitle G, Part IV, Curative and Palliative Care for Children in Medicaid

NHPCO applauds the inclusion of long-awaited concurrent care coverage for children diagnosed with a life-limiting illness. This is an important, basic step to ensure that all Americans have the option of high-quality and compassionate care during the most difficult times a family can face. We are also pleased that the budget neutral demonstration project to test a similar care model for Medicare beneficiaries was added to the revised Mark.

Title III, Subtitle A, Part I, Medicare IRF, LTCH and Hospice Quality Reporting

NHPCO supports quality reporting that is undertaken in a phased and cooperative manner with the hospice community.

Title III, Subtitle B, Part I, Recognizing Attending Physician Assistants as Attending Physicians to Serve Hospice Patients

The hospice community supports expanded patient access to existing physician relationships, including Physician Assistants, as allowed by state law.

Title III, Subtitle D, Hospice Payment Reforms

Payment Reforms. Congress has set hospice rates since inception of the Medicare hospice benefit. MedPAC's payment reform recommendation also recognizes this fact in its requirement that the Secretary, no earlier than 2013, and only after collecting and analyzing a new array of comprehensive patient-level data, should report to Congress the outline of a new payment methodology. Given the complex nature of end-of-life care and its interaction between and among various sites of service, the National Hospice and Palliative Care Organization supports Congress retaining its inherent authority to set hospice reimbursement rates.

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Accountability. As in the past, NHPCO supports reasonable review mechanisms to ensure appropriate and eligible patients are served by hospice.

Title III, Subtitle D, Market Basket Cuts & Productivity

According to the June 2008 MedPAC report, hospices operate with margins averaging just 3.4 percent. Many hospices, particularly smaller non-profits and those in rural areas, operate on negative margins and rely on charitable fundraising to stay afloat. With such narrow operating margins, the hospice community simply cannot endure the productivity adjustments proposed in America's Healthy Future Act.

The productivity adjustment would impose an 11.8 percent reduction to hospice reimbursement by 2019. Hospices have already received a permanent Medicare rate reduction through an administrative phase-out of the Budget Neutrality Adjustment Factor (BNAF) in the Medicare hospice wage index over the next seven years. The combined impact of the two cuts would be a 14.3 percent reduction in hospice reimbursement over the next decade. With average margins of just over 3 percent, the hospice community would face significant closures and compromised patient access to high-quality, compassionate end-of-life care if such cuts were imposed. I strongly urge the Committee to remove these cuts and pursue alternative approaches proposed by the hospice community.

I sincerely appreciate the enormity and the complexity of the task before the Finance Committee. I hope that this commentary on behalf of the hospice community is helpful to you as the committee moves forward in this process. End-of-life care is a fact of life for every single American. Regardless of insured status, socioeconomics, political preferences, or geography, we all overwhelmingly wish to die in a pain-free manner, with peace-of-mind and surrounded by our loved ones. Chairman Baucus, I urge you to continue your leadership on behalf of America's most vulnerable population, the dying.

If I can be of assistance to you on this and future end-of-life care issues, please do not hesitate to call on me.

Warmest Regards,



J. Donald Schumacher, PsyD
President/CEO

cc: Senate Finance Committee