



June 16, 2011

Dear Member of Congress:

On behalf of hospice and palliative care providers as well as the more than 1.5 million patients and families served by hospice each year, the National Hospice and Palliative Care Organization (NHPCO) would like to share its thoughts on some of the recent deficit reduction proposals currently being discussed by Congress and the Administration.

NHPCO understands the significant long-term fiscal challenges facing our nation and supports the overarching goals of Congressional leaders and policymakers aimed at getting our country back on a sustainable path toward economic stability and prosperity. We certainly recognize the serious, long-term structural imbalances that threaten entitlement programs. We are, however, deeply concerned about the impact some proposals could have on access to hospice services and on the ability of hospice providers to offer compassionate, high quality, end-of-life care to patients and families in the future. **Given that the hospice community is already facing the devastating impact of two recent rate cuts to Medicare hospice reimbursement, the first regulatory and the second statutory, as well as adapting to significant regulatory changes, we simply cannot survive *any* additional financial challenges.**

The hospice model is based on an interdisciplinary, team-oriented approach that puts the patient's needs and wishes at the center of all aspects of care. Since the hospice benefit was added to the Medicare program in 1983, a growing number of beneficiaries have availed themselves of the expert medical care, pain management and wide range of support services that hospice provides. Today, 89.4 percent of hospice patients are Medicare and Medicaid beneficiaries.

In addition to our commitment to quality care, hospice providers are dedicated to ensuring that they are cost-efficient and conscientious stewards of finite Medicare and Medicaid resources. Hospices administer a range of provider services, medications, medical supplies and equipment as well as respite care, counseling and family bereavement, under a bundled per diem rate averaging \$142.91 in 2010. A Robert Wood Johnson Foundation study conducted by Duke University found that hospice saves Medicare, on average, more than \$2,300 per patient compared to alternative sources of care for this population. And despite doubling the number of beneficiaries since 2000 and increasing the number of hospice providers, hospice still comprises only 2 percent of total Medicare expenditures. According to MedPAC, hospice margins average only 2.8 percent.



In proposing any Medicare and Medicaid savings, we urge you to avoid provisions that would do irreparable harm to the hospice community and other valued Medicare and Medicaid service providers who care for our most vulnerable citizens, the extremely frail and terminally ill. Please reject proposals that will damage our safety net and will ultimately break our social compact with those most in need.

We appreciate the considerable challenges that lie ahead in this area. We look forward to working with you to find responsible ways to address these important issues without sacrificing quality care or threatening access to valuable and needed services.

Sincerely,

A handwritten signature in black ink, reading "J. Donald Schumacher". The signature is written in a cursive, flowing style.

J. Donald Schumacher, PsyD
President/CEO