Keep Hospice Out of Medicare Advantage

Protect Patient Choice and Preserve Quality End-Of-Life Care

THE ASK

Congress should oppose efforts to integrate (or "carve-in") hospice into Medicare Advantage. **Sign Reps Dunn (R-FL) and Bera's (D-CA) letter to congressional leadership.**

TOPLINE

- Hospice is comprehensive, holistic care that prioritizes patient dignity and comfort at the end of life. Hospice is unique from other Medicare benefits. Hospices provide all items and services needed by patients at end of life and are responsible for the total cost of care for their patients.
- Hospice is managed care for patients facing terminal illness—negating the need for Medicare Advantage once treatment shifts from curative to palliative in nature.
- Evidence has shown that efforts to integrate (or "carve-in") hospice into Medicare Advantage have created more problems than solutions.

RATIONALE

- **Bad for Beneficiaries:** Administering the hospice benefit through Medicare Advantage would impose new barriers to care by inserting a middleman between beneficiaries, their families, and their doctors. They may lose the ability to choose the right hospice for them at the right time. Ultimately, patients may be improperly steered toward or away from hospice care, a deeply personal decision.
- **Bad for Providers:** This policy would upend how the hospice benefit is administered and result in costly administrative burdens for hospices, including delays in payment that threaten the viability of small and rural providers. Payment rates lower than Medicare would further exacerbate this, leading to MA plans only contracting with large or low-cost providers.
- **Bad for Medicare:** The current design of hospice not only delivers quality care for beneficiaries, it also saves Medicare money each year. The way the hospice benefit is administered is working well for both providers and patients, including those that remain enrolled in Medicare Advantage plans after electing to receive hospice care. Upending how millions of seniors receive hospice care risks compromising the quality and integrity of the benefit for all.
- **Bad for Medicare Advantage Organizations:** MAOs have never have never had responsibility for administering the Medicare hospice benefit. As demonstrated by the failed CMMI demonstration, there are significant operational challenges that would be costly for MAOs, if they were even able to overcome.

BACKGROUND

INTENTIONAL CARVE-OUT FROM MEDICARE ADVANTAGE

Hospice care is different from other services delivered by Medicare. It is a holistic, interdisciplinary model that addresses the medical, psychological, emotional, and spiritual needs of patients and families. Because hospices are already responsible for providing all items and services for patients at end-of-life, and payment is a set amount with statutory spending limits, the hospice benefit is already a risk-based delivery model. When Medicare Advantage, originally called Medicare+Choice, was established under the Balanced Budget Act of 1997, hospice services were intentionally carved out. Currently, MA beneficiaries who elect hospice have their hospice benefit administered by traditional FFS Medicare, while retaining their MA plan for any supplemental benefits not covered by FFS Medicare. This process is a seamless experience without burdens for patients or providers. This intentional carve-out also preserves the integrity of hospice care for patients by ensuring direct payment from CMS to hospice providers without interference from MA plans. The decision to forgo future curative care and elect to receive palliative care and support through the Medicare hospice benefit is an immensely personal choice for patients and their families.

FAILED VALUE-BASED INSURANCE DESIGN (VBID) MODEL (2021-2024)

Announced in 2019, CMS tested a hospice carve-in under VBID. Data revealed challenges such as administrative burdens, difficulty creating networks, and delayed payments for claims. Lower reimbursement rates raised concerns about the financial viability of hospices and decreased access to hospice care. The demonstration did not result in increased or earlier access to hospice or better care coordination. As a result of these challenges, the demonstration was sunset seven years early at the end of 2024.

BOTTOM LINE

Congress must protect seniors' right to a dignified, barrier-free end-of-life experience by rejecting efforts to integrate hospice into Medicare Advantage.

FOR MORE INFORMATION, CONTACT

Scott Levy, Logan Hoover, Madison Summers
legaffairs@allianceforcareathome.org