

Hospice cap and implications for access

ISSUE: Medicare's hospice benefit has grown considerably since its inception in 1983, most significantly in the last several years. As spending has increased, more hospice providers are becoming subject to an aggregate per beneficiary limit on Medicare payments to hospices, the so-called "hospice cap," which was discussed at the October 2007 Commission meeting. The cap exposes weaknesses in the hospice payment system that suggest the need for broader reforms.

KEY POINTS: This paper presents results of our refinements to our hospice payment model. It also examines the potential implications of greater numbers of providers reaching the cap for Medicare beneficiaries' access to hospice care.

ACTION: This paper describes the second of several analyses of Medicare's hospice benefit that will be presented throughout the fall of 2007. The goal of these presentations is to provide Commissioners with a comprehensive overview and critical evaluation of the hospice benefit.

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