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Title: Enact Rules and Payment Mechanisms to Encourage Appropriate Hospice and Palliative Care Usage

Introduced by: P. Dileep Kumar, MD, for the St. Clair County Delegation

Original Author: P. Dileep Kumar, MD

Referred to: Reaffirmation Calendar

House Action: **REAFFIRM**

Whereas, hospice and palliative care are being underutilized, resulting in unnecessary and expensive care during the last six months of life for many patients with complicated medical issues, and

Whereas, hospice has been impacted by an administrative cut in addition to a series of cuts applied to most Medicare providers as part of health care reform and budget reduction efforts¹, and

Whereas, beginning in October 2009, the Centers for Medicare and Medicaid Services began a seven-year phase out of the Budget Neutrality Adjustment Factor (BNAF), a key element in the Medicare hospice wage index that will ultimately result in a permanent reduction in hospice reimbursement rates of 4.2 percent², and

Whereas, the 2009 Affordable Care Act imposed an additional change to the Medicare hospice formula that will further cut hospice payments by approximately 11.8 percent over the next ten years through the introduction of a “productivity adjustment” on the calculation of annual payment updates for hospice; therefore be it

RESOLVED: That the Michigan Delegation to the American Medical Association (AMA) ask our AMA to work with the Centers for Medicare and Medicaid Services to enact rules and payment mechanisms to encourage appropriate hospice and palliative care utilization for eligible patients.

WAYS AND MEANS COMMITTEE FISCAL NOTE: NONE

¹ Hospice action network. Reimbursement. Accessed at <http://hospiceactionnetwork.org/get-informed/issues/reimbursement/> on March 29, 2016.
² Ibid