

Department of Health & Human Services Health Care Financing Administration

September 12, 2000

Dear Medicare Hospice:

Hospice care is an essential Medicare benefit that brings important extra sensitivity, a focus on patient and family, and special support to the dying. Medicare is committed in insuring that beneficiaries receive appropriate care tailored to their own needs at the end of life and that they understand their rights and options.

Under the law, Medicare beneficiaries are eligible for hospice care when they decide to choose palliative and other care from a hospice, and a physician and the hospice medical director certify that they have a medical prognosis of six or fewer months to live if their illness runs its normal course. The Balanced Budget Act of 1997 made important changes to the law to ensure that patients whose prognosis improves or who choose to resume curative care can leave hospice and return at a later date.

However, I am concerned that some individuals who want and could benefit from hospice care may not be receiving it or may be receiving it late in the course of their illness because the difficulty in making end-of-life prognoses may affect their access to hospice care. There also is a disturbing misperception that hospices and beneficiaries will be penalized if a patient lives longer than six months. Nothing could be further from the truth. There have been a handful of cases in which beneficiaries who were not carefully diagnosed in the first place were inappropriately enrolled in hospice. Nevertheless, that is very different from situations in which a terminally ill patient has had the good fortune to live longer than predicted by a well-intentioned physician.

Let me be clear:

- **In no way are hospice beneficiaries restricted to six months of coverage.**
- **There is no limit on how long an individual beneficiary can receive hospice services, as long as they meet the eligibility criteria.**
- **As long as a physician continues to properly and conscientiously recertify the six-month prognosis, a beneficiary can continue to receive the hospice benefit.**

In fact, our records show that about 10 percent of Medicare hospice beneficiaries stay longer than six months. Also, as mentioned above, the Balanced Budget Act changed the law to make it easier for beneficiaries to transfer in and out of hospice if their prognosis improves or they want to resume curative

care, and then to enroll back in hospice again later.

To address the confusion and help ensure that all eligible beneficiaries who want and can benefit from hospice care receive it, we will work to develop a *voluntary* program in which physicians and hospice directors confronted with a questionable case may seek and receive eligibility confirmation from Medicare contractors before enrolling beneficiaries in a hospice. A pre-authorization program would help beneficiaries and providers, in cases where prognosis is difficult, by preempting concerns about denial of claims and thereby promoting earlier enrollment for more beneficiaries who want and are eligible for hospice care.

We may need to start a pilot program to be sure we are doing this right. I want HCFA to work with hospice organizations, patient advocates, and hospice physicians and providers as we work to develop such a program. I believe that:

- The process must be fair and fast.
- There must be an efficient mechanism for contractor and hospice physicians to review together any cases in which the contractor physician cannot verify the hospice's prognosis in order to ensure that all relevant facts are available and that all parties understand the reasons for the determination.
- There should be a panel of independent consultants available to guide decisions in especially challenging cases.
- There must be an appeals mechanism to ensure complete fairness.
- There must be adequate funding to support the program over time.

We need your input to help us ensure that the process meets those objectives and is implemented in the best way to meet the needs of beneficiaries, providers, and the program. I have already been in touch with the National Hospice and Palliative Organization, the Hospice Association of America, and the American Academy of Hospice and Palliative Medicine, which have agreed to work with us.

In closing, I would like to take this opportunity to encourage you to tell beneficiaries and their families about our guide to Medicare's Hospice Benefit. The guide explains hospice care, the Medicare hospice benefit including eligibility criteria and what is covered, and how to find a hospice and get more information. It can be obtained on our medicare.gov consumer website or by calling 1-800-MEDICARE.

Sincerely,

Nancy-Ann DeParle
Administrator