



Medicare: Issue of the Day

August 27, 2004

BETTER BENEFITS – MORE CHOICES ***Good News about the Medicare Prescription Drug, Improvement and Modernization Act of 2003!***

CMS PROJECTS 2.9 PERCENT INCREASE IN MEDICARE RURAL HOSPICE PROVIDER PAYMENT RATES

The Centers for Medicare & Medicaid Services (CMS) recently announced that **payments to rural hospices are projected to increase \$23 million in 2005, a 2.9 percent increase over 2004.** For 2005 there is an overall projected increase of \$60 million dollars to hospice providers, an increase of 1 percent for all hospices.

- ❖ **Reliable, high-quality hospice care** means that **millions of Medicare beneficiaries and their families can spend their final days in the comfort of their own homes**, especially in underserved areas of the country. The payment increase will help to *ensure that beneficiaries in rural areas have access to the quality hospice services that they need.*
- ❖ Hospice care was added as a benefit under the Medicare program in 1983 and under Medicaid in 1985. In **2005, hospice services are expected to account for \$6 billion in Medicare payments.**
- ❖ Hospice care is covered under the **Medicare Hospital Insurance program** and is available to all beneficiaries enrolled in Medicare Part A.
 - To be **eligible**, their physician and the hospice medical director must *certify that they are terminally ill, with six months or less to live* if their illness runs its normal course.
 - When a beneficiary elects the hospice benefit, they are **accepting palliative care geared towards physical, emotional, spiritual and psychological comfort for their terminal illness instead of the curative model of care.**
- ❖ Medicare **payments for hospice services in rural areas will more accurately reflect costs due to the of improvements in how payments are calculated.** Thousands of beneficiaries and their families can be comforted that **Medicare will help with the high costs of this care.**
- ❖ Beneficiaries **can receive hospice services wherever they reside**, be it at home, a nursing home, a hospital, or other facility or setting where the patient resides. Once in hospice, they **may also continue to have Medicare coverage for treatment of other problems not related to their terminal illness.**