
HOSPICE NEWS SPOTLIGHT

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Special Supplemental Update for Hospice News Network

A Service of State Hospice Organizations

MEDPAC CONSIDERS POLICY CHANGES FOR HOSPICE PAYMENT RATES

MedPAC's September 2025 presentation on hospice care for beneficiaries with end-stage renal disease (ESRD) and cancer highlighted how the fixed daily hospice payment rate can discourage providers from offering costly palliative services such as dialysis, radiation, or blood transfusions. While these treatments can ease symptoms and improve quality of life, their costs often exceed standard payments, creating barriers to hospice enrollment and limiting access for patients who depend on them. **The presentation has been posted online at the link below.**

To address these challenges, MedPAC is considering several policy directions. One option is requiring hospices to report when they provide specialized services, which would improve data collection and allow policymakers to track usage and costs. Another is to introduce targeted add-on payments that supplement the daily rate when expensive services are delivered. A third approach involves adjusting payment rates based on patient case mix, so beneficiaries with conditions like end stage renal disease or leukemia, who are more likely to need high-cost palliative care, would generate higher daily reimbursement.

MedPAC emphasized that reforms would need safeguards to prevent misuse and should be designed to remain budget neutral, given that hospice providers already report relatively high Medicare margins. These proposals are still under review, with final recommendations expected in the June 2026 Report to Congress. (MedPAC, 9/5, <https://www.medpac.gov/wp-content/uploads/2025/09/Tab-F-Hospice-ESRD-cancer-Sept-2025-SEC.pdf>)

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