



June 23, 2022

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Charles Schumer  
Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Mitch McConnell  
Minority Leader  
U.S. Senate  
Washington, DC 20510

Dear Speaker Pelosi, Leader Schumer, Leader McCarthy, & Leader McConnell:

On behalf of the National Hospice and Palliative Care Organization (NHPCO), National Association for Home Care & Hospice (NAHC), National Partnership for Healthcare & Hospice Innovation (NPHI), and LeadingAge, **we urge Congress to take action to prevent additional Medicare payment cuts before July 1, 2022.** Allowing the impending 2% Medicare sequestration payment cut to go into effect will have detrimental impacts on access to care, especially in rural and underserved communities, that Medicare promises seriously ill beneficiaries.

Due to Congressional inaction, a 1% Medicare sequestration payment cut already went into effect on April 1. This happened as hospice and palliative care providers continue to grapple with unprecedented costs and unrelenting workforce shortages. Data from the Bureau of Labor Statistics (BLS) indicates compensation costs for the health care and social assistance industry increased approximately 4.4% for the 12-month period ending in December 2021.<sup>i</sup> While the BLS data is for *all* health care and social assistance programs, hospice providers have also reported significant wage increases to address competition for health care workers. A 2021-2022 survey of hospices found that wages and salaries for hospice professionals have increased between 3 and 6 percent during the pandemic.<sup>ii</sup> Additionally, the Consumer Price Index for All Urban Consumers (CPI-U) increased 8.5% year-over-year in March 2022 – the highest annual rate of inflation seen in the United States since December 1981.<sup>iii</sup>

In addition to extraordinary labor expenses and historic inflation, the PHE has imposed financial pressures that impact access to care, including high costs for personal protective equipment and

other supplies and lowered revenues due to limitations on in-person fundraisers and limited patronage of thrift stores, both of which typically provide significant revenue to many nonprofit hospices in particular.

In April, CMS also released its Fiscal Year (FY) 2023 Hospice Wage Index and Payment Rate Update and Hospice Quality Reporting Requirements proposed rule, which proposes updates to the hospice wage index, payment rates, and aggregate cap amount for the coming fiscal year. For the hospice payment update percentage, CMS is proposing an increase of 2.7 percent from FY2022. If the impending 2% Medicare sequestration payment cut takes full effect at the beginning of next month, the net hospice payment rate “increase” will be 0.7%. This means that, taking into consideration all of the aforementioned costs, providers will effectively be taking an even greater payment cut.

While our members will continue to innovate to serve patients and families, Congress must recognize the potential consequences of its failure to act on critically needed care for seriously ill individuals. We urge you to protect access to high quality care for all Americans who need it by preventing additional Medicare payment cuts from taking effect by the end of this month.

Thank you for your consideration of this important request. We look forward to continuing to work with you.

Sincerely,

**National Hospice and Palliative Care Organization**  
**National Association for Home Care & Hospice**  
**National Partnership for Healthcare and Hospice Innovation**  
**LeadingAge**

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<sup>i</sup> U.S. Bureau of Labor Statistics. Economic News Release – Table 1. Seasonally adjusted: Employment Cost Index for total compensation, by ownership, occupational group, and industry. January 28, 2022. Accessed from <https://www.bls.gov/news.release/eci.t01.htm> on June 3, 2022.

<sup>ii</sup> Hospital & Healthcare Compensation Service and the National Association of Home Care & Hospice, “2021-2022 Hospice Salary & Benefits Report,” November 2021.

<sup>iii</sup> U.S. Bureau of Labor Statistics. Consumer Price Index – March 2022. April 12, 2022. Accessed from <https://www.bls.gov/news.release/pdf/cpi.pdf> on June 3, 2022.