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**CUTTING MEDICAID HOSPICE BENEFIT WOULD COST FLORIDA MORE,
PUT NEEDIEST INDIVIDUALS AT RISK**

*Terminal patients would still need care, but in more expensive settings;
other states reject similar proposals*

TALLAHASSEE, December 30, 2008 – The State of Florida’s proposed elimination of the Medicaid benefit that provides hospice care to some of the state’s most fragile individuals actually would cost Florida millions more than the state currently spends – adding to the state’s budget deficit rather than reducing it – according to a newly released study commissioned by Florida Hospices and Palliative Care (FHPC), the statewide group representing all of the state’s hospice providers.

FHPC engaged The Moran Company, a Washington-based health care research and consulting firm, to examine the state’s financial assumptions and develop an independent evaluation of the impact of eliminating the Medicaid Hospice Benefit, as recommended by Florida’s Agency for Health Care Administration (AHCA). The study reviewed actual state data for fiscal year 2007 and concluded that if the cut had been in place at that time, the state’s health care budget would have been \$3.7 million more. In contrast to the findings of the Moran Company report, AHCA claims cutting the benefit for fiscal year 2009 would save the state \$343 million in Medicaid payments.

FHPC Executive Director Paul Ledford said, “This report reinforces our view that Florida can’t afford to take this misguided approach to dealing with its budget difficulties, especially since it will only make the budget situation worse. Cutting the Medicaid Hospice Benefit doesn’t mean the needs of the terminal patient change; it just shifts those costs to more expensive ways of delivering those vital services.

“We appreciate the financial challenges that Florida’s government faces, but cutting the Medicaid Hospice Benefit simply isn’t the answer – or even a part of the answer,” Ledford added.

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The report contained the following major findings:

- Eliminating the Medicaid Hospice Benefit will not save the state money, and likely will result in increased spending for mandatory services. The report conservatively estimates an additional \$3.7 million in state Medicaid costs, as patients needing end-of-life care would end up in more expensive settings, such as hospital emergency rooms.
- Such action also will likely increase the burden on Florida counties to provide indigent care through already financially stressed indigent care programs.
- The loss of the service coordination, care management, and supportive services offered by hospice will increase fragmentation of care for terminally ill patients, limit their access to palliative care, and burden families and caregivers, potentially limiting their employment and educational options.
- The beneficiaries in Florida's Medicaid hospice program are different from the Medicare population that dominates hospice services. Florida Medicaid-only hospice patients are younger and more likely to be in the terminal stages of cancer or have HIV/AIDS related conditions than Medicare or dual Medicare/Medicaid patients. Their average length of stay in hospice is shorter, and their care is more likely to be complex and involve management of severe symptoms that, unmanaged, trigger emergency room visits and/or hospitalization.
- The cut also would mean that Florida will lose revenue. For every dollar Florida cuts in the hospice benefit, the state will lose \$1.25 in matching Federal Medicaid support.

The research study also noted that, until now, every other state that has studied wiping out the Medicaid Hospice Benefit has rejected that approach for precisely the same reason – it ends up costing more money than would be “saved.” In fact, Connecticut recently added the benefit, and now only two states do not offer it.

“Hospice has a vital place in health care,” noted Anthony J. Palumbo, FHPC President and CEO of Hospice of Citrus County and Hospice of the Nature Coast. “In addition to the compassionate, hands-on medical care we provide, we also take care of our patients’ psychosocial and spiritual needs. We care for patients as well as their loved ones.”

“Hospice is an all-inclusive benefit,” Palumbo added. “Every visit by our nurses, hospice aides, social workers, chaplains, physicians and community-based volunteers is covered by a per diem payment that is widely recognized as cost-effective. And, from that same small per diem payment, hospices provide patients – without charge – all of the prescription drugs, over-the-counter medications, medical equipment and medical supplies associated with a patient’s primary diagnosis. Hospices also offer bereavement care to each patient’s loved ones for up to a year after the patient has died, all at no additional cost to the health care payment system.”

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