



November 19, 2021

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

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

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

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

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

On behalf of the National Hospice and Palliative Care Organization (NHPCO), National Association for Home Care & Hospice (NAHC), and LeadingAge, we urge Congress to include provisions in end-of-the-year legislation that will extend the moratorium on Medicare sequester cuts and prevent the Statutory Pay-As-You-Go Act of 2010 (Statutory PAYGO) sequester from taking effect at the end of this session of Congress. This legislation is crucial so that hospice and palliative care providers can continue to care for patients, families and communities.

The COVID-19 pandemic has placed an enormous strain on hospice and palliative care patients, families, and providers. As of November 8, there have been over 46 million confirmed COVID-19 cases and over 750,000 reported deaths from COVID-19 in the United States.

In addition to the physical, mental, and emotional toll the pandemic has taken on hospice and palliative care practitioners, it has also imposed severe financial pressure on hospices, including but not limited to: higher expenses for labor, 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. While many were hopeful that the impact of the COVID-19 pandemic would have become minimal by now, the delta and mu variants which have raged across the country, as well as the unprecedented pandemic-related workforce shortages, have left hospice and palliative care providers stretched thin and uncertain about their financial futures. Now is not the time for reductions in Medicare payments to providers that could further exacerbate access challenges for those in need of high-quality serious illness care.

The Budget Control Act of 2011 requires, among other things, mandatory across-the-board reductions in certain types of federal spending, also known as sequestration. Under these requirements, Medicare claims incur a 2% reduction. The Coronavirus Aid, Relief, and Economic Security Act (CARES) Act, signed into law in March 2020, included critical relief from sequestration as it applies to Medicare payments from May 1, 2020, through Dec. 31, 2020. Considering the global pandemic and its impact on health care and providers, the moratorium has been extended and is now scheduled to expire Dec. 31, 2021. We urge congress to extend the sequester moratorium. Failure to do so would result in cuts to hospice and palliative care providers and could lead to the

closure of small hospices serving rural and underserved communities, reducing access to this critical benefit at a time when it has never been more needed.

In addition, the Statutory PAYGO rules require that mandatory spending and revenue legislation not increase the federal budget deficit over a 5- or 10-year period. Should such legislation be enacted without offsets, the Office of Management and Budget is required to implement across-the-board reductions in certain types of mandatory federal spending, including Medicare. Failure to waive Statutory PAYGO would result in an additional cut to hospice providers in calendar year 2022.

In the past, PAYGO has never been triggered. Congress always has acted to waive the reductions, prohibiting the enacted deficit effects of legislation from causing a PAYGO sequester of Medicare or other federal spending programs. We urge Congress to again prevent these cuts.

Congress must extend the moratorium on the Medicare sequester and prevent a Statutory PAYGO sequester to ensure that no reductions in Medicare payments to providers occur early next year. Congress to date has aided health care providers in the form of Medicare sequester relief, and Congress has always acted to waive the Statutory PAYGO law on a bipartisan basis. As hospice and palliative care workers continue to provide critical services to vulnerable communities, they should not be hit with a Medicare payment cut which would put this care at risk.

Thank you for your consideration.

Sincerely,

National Hospice and Palliative Care Organization

National Association for Home Care & Hospice

LeadingAge