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Medicaid Hospice: Policy, Utilization, and Oversight

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Medicaid and CHIP Payment and Access Commission

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Overview

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- Eligibility and enrollment
  - Access to hospice care for children
- Covered services and care delivery
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Background

- The Medicaid hospice benefit provides interdisciplinary care and support to terminally ill individuals in their final months of life
  - Medicaid hospice users include children, people with disabilities, Medicaid-only adults, and individuals dually eligible for Medicare and Medicaid
- The benefit is an optional state plan benefit provided by all states
- It incorporates key elements of the Medicare hospice benefit while providing states with flexibilities over certain aspects of policy and administration

Eligibility and Enrollment

- A beneficiary must satisfy the following requirements to receive Medicaid hospice benefits
  - Voluntarily elect to receive hospice benefits and forgo services intended to cure or treat the terminal condition
  - Have a physician certify they are terminally ill based on their life expectancy
  - Have a physician re-certify their terminal illness in each successive election period
- The Patient Protection and Affordable Care Act (ACA, P.L. 111-148, as amended) allows children under age 21 receiving hospice to continue receiving treatment for their terminal condition concurrently with hospice care, known as the "concurrent care" provision

Eligibility and Enrollment, cont.

- Estimates of the number of Medicaid hospice users nationwide are not readily available and research is limited to specific populations
- Medicaid enrollees are less likely to enroll in hospice than patients enrolled in Medicare or patients dually eligible for Medicare and Medicaid with similar conditions
- Several studies have found lower hospice enrollment among Black and Hispanic Medicaid users relative to non-Hispanic white Medicaid users

Access to Hospice Care for Children

- Historically, enrollment of children receiving Medicaid in hospice care has been low
- Use of concurrent care for children receiving Medicaid hospice has steadily increased since the provisions went into effect
- Research suggests that several challenges remain for children when accessing concurrent hospice care
  - Difficulty predicting how long a child will survive with a life-limiting condition
  - Lack of awareness of concurrent care provisions
  - Lack of policy clarity regarding how Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefits and hospice benefits interact

Covered Services and Care Delivery

- State Medicaid programs opting to provide the benefit must cover a broad range of hospice services that generally include the same covered hospice services as Medicare

Hospice Services Covered under the Medicaid Hospice Benefit	
Nursing services	Physician services
Physical and occupational therapy	Speech-language pathology
Medical social services	Home health aide and homemaker services
Medical supplies, drugs, biologicals, and durable medical equipment	Counseling services, including dietary counseling
Short-term inpatient care, including respite care and pain and symptom management	Other services identified in the individual's plan of care for which payment may otherwise be made under Medicare

Note: CMS guidance specifies that bereavement counseling for a beneficiary's family following the beneficiary's death is a required hospice service but is not separately reimbursable (State Medicaid Manual § 4305.6).
Source: Section 1861(dd)(1) of the Social Security Act.

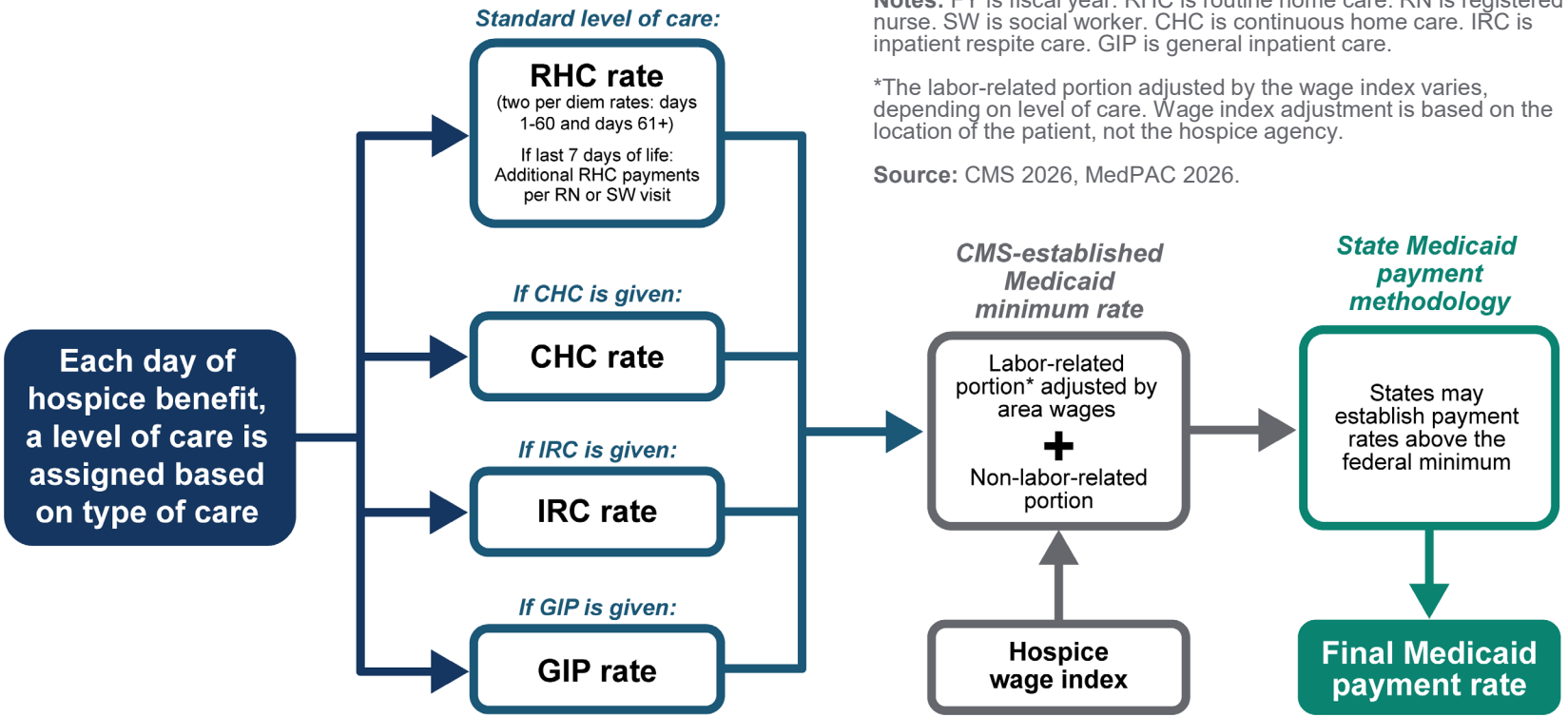
Covered Services and Care Delivery, cont.

- Covered hospice services are provided at one of four levels of care
  - Routine home care
  - Continuous home care
  - Inpatient respite care
  - General inpatient care
- Levels of care are primarily used to determine the per diem reimbursement rate the state Medicaid agency pays the hospice
- Available research suggests most hospice care is delivered outside the inpatient care setting and for a short period of time

Provider Participation

- Medicaid hospice providers must meet federal conditions of participation governing interdisciplinary care planning and delivery, staffing, patient rights, and organizational requirements
- Federal Medicaid provider enrollment and screening requirements apply, with screening based on provider risk
- States may establish additional enrollment, licensure, and documentation requirements
  - Indiana, New Jersey, and the District of Columbia require hospice providers to be enrolled in Medicare as a condition of Medicaid participation

Payment Structure



Notes: FY is fiscal year. RHC is routine home care. RN is registered nurse. SW is social worker. CHC is continuous home care. IRC is inpatient respite care. GIP is general inpatient care.

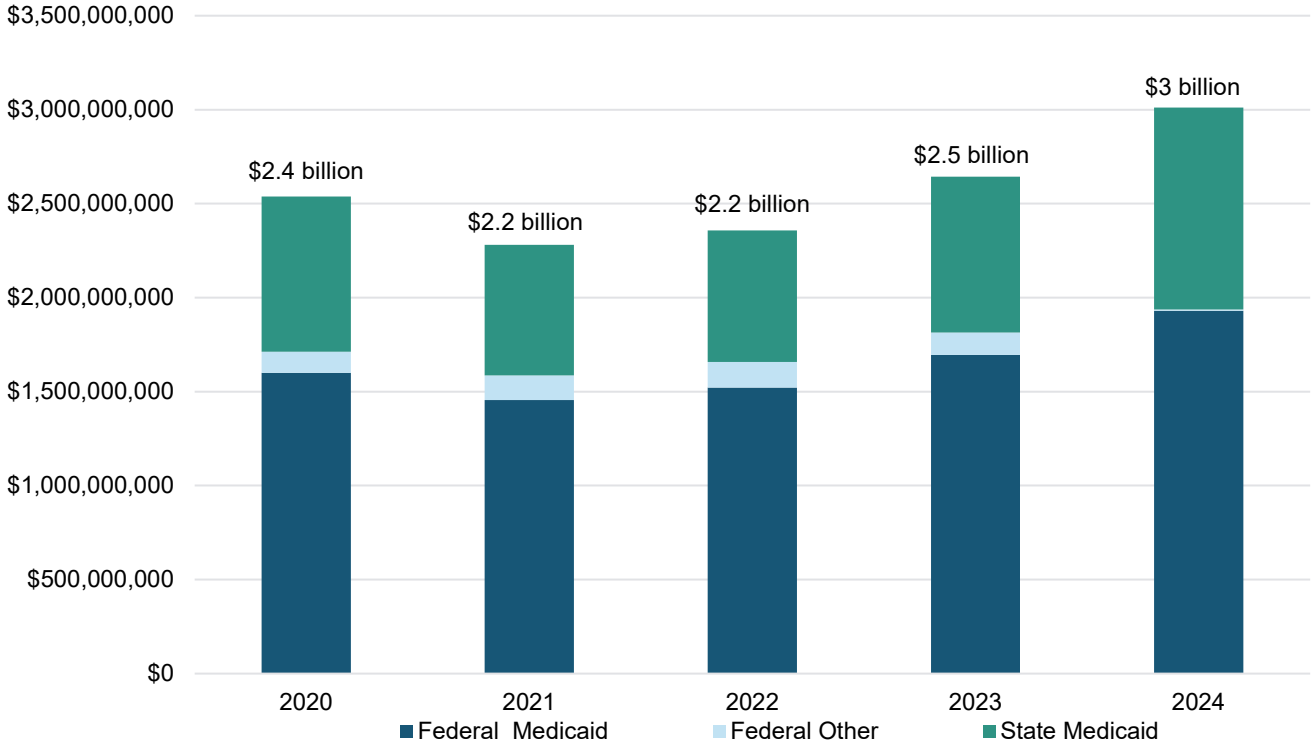
*The labor-related portion adjusted by the wage index varies, depending on level of care. Wage index adjustment is based on the location of the patient, not the hospice agency.

Source: CMS 2026, MedPAC 2026.

Payment Flexibilities and Limits

- States may establish Medicaid hospice payment rates above the federal minimum
- Federal policy limits inpatient hospice days to 20 percent of total hospice days, while states may establish an optional aggregate payment cap on total payments
- Medicaid makes room-and-board payments to hospices for certain nursing facility residents at a minimum of 95 percent of the applicable nursing facility rate, which hospices pass through to nursing facilities; states may pay more

Medicaid Hospice Spending, FYs 2020–2024



Notes: FY is fiscal year. "Federal Other" includes funds from the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) and American Rescue Plan Act of 2021 (P.L. 117-2) that the Centers for Medicare & Medicaid Services includes with federal medical assistance percentage reporting.

Source: MACPAC, 2026, analysis of CMS-64 data from FY 2014 to FY 2024.

Hospice Oversight

- State survey agencies and approved accreditation organizations conduct periodic surveys to assess hospice compliance with federal conditions of participation
- CMS may impose enforcement remedies for noncompliance, while federal and state program integrity activities examine provider documentation, billing, and payment practices
- U.S. Department of Health and Human Services Office of Inspector General (HHS-OIG) reviews have identified weaknesses in state oversight
- CMS imposed a nationwide Medicare hospice enrollment moratorium in May 2026, but did not extend it to Medicaid; several states have separately implemented Medicaid hospice enrollment moratoria

Quality Reporting

- State Medicaid agencies are responsible for assessing the quality of Medicaid hospice services, but there is no Medicaid-specific hospice quality reporting program
- Federal hospice quality reporting largely operates through Medicare's Hospice Quality Reporting Program (HQRP), which collects certain data for patients regardless of payer or age
- States may link Medicaid hospice payments to HQRP compliance and establish additional quality oversight requirements
- Although CMS publicly reports hospice quality information through Care Compare, comparable information specific to Medicaid beneficiaries remains limited

Next Steps

- Staff will conduct stakeholder interviews and analyze Transformed Medicaid Statistical Information System (T-MSIS) data to better understand Medicaid hospice utilization, administration, and oversight
- Commission discussion questions:
  - What aspects of Medicaid hospice policy and state flexibility warrant further examination?
  - Where are the most consequential gaps in understanding Medicaid hospice access, utilization, and quality?
  - Are there particular populations or care settings MACPAC should prioritize?

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OCTOBER MEETING

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