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Impact on Medicare Hospice Benefit: Economic Stimulus Package and Budget Neutrality Adjustment Factor

The Budget Neutrality Adjustment Factor (BNAF) was set to be reduced by 25 percent, or \$135 million, in FY 2009. The American Recovery and Reinvestment Act (ARRA) mandated the reinstatement of the BNAF for FY 2009, but CMS's current plans would reduce the BNAF by 75 percent in FY 2010 with complete elimination in FY 2011. The National Association for Home Care & Hospice (NAHC) has calculated that this reduction would lower hospice reimbursement by over \$432 million in FY 2010; \$573 million in FY 2011 with a projected loss of \$3.4 billion by FY 2014. Below is a state-by-state calculation of how the hospice industry would be impacted.

	2006 Medicare Reimbursement	% of National Reimbursement	Gain from Reinstated BNAF for FY 2009	Loss - Impact of 75% Reduction Planned for FY 2010	Loss - Impact of 100% Reduction Planned for FY 2011	Total Loss 2010- 2014
US	\$9,228,165,915	100.00%	\$135,000,000	\$432,135,000	\$573,659,213	\$3,391,119,892
State						
AL	\$354,059,161.78	3.84%	\$5,179,576	\$16,579,823	\$22,009,715	\$130,107,875.99
AK	\$3,302,213.08	0.04%	\$48,308	\$154,635	\$205,279	\$1,213,480.62
AZ	\$346,052,545.19	3.75%	\$5,062,446	\$16,204,890	\$21,511,992	\$127,165,644.89
AR	\$89,264,751.41	0.97%	\$1,305,865	\$4,180,075	\$5,549,049	\$32,802,560.87
CA	\$810,643,630.84	8.78%	\$11,859,008	\$37,960,683	\$50,392,807	\$297,891,235.08
CO	\$126,136,410.34	1.37%	\$1,845,265	\$5,906,695	\$7,841,137	\$46,351,972.23
CT	\$79,832,767.77	0.87%	\$1,167,884	\$3,738,395	\$4,962,720	\$29,336,543.07
DE	\$33,937,287.15	0.37%	\$496,473	\$1,589,210	\$2,109,676	\$12,471,103.21
DC	\$6,895,131.26	0.07%	\$100,870	\$322,884	\$428,629	\$2,533,788.08
FL	\$1,032,578,495.44	11.19%	\$15,105,721	\$48,353,412	\$64,189,154	\$379,446,740.36
GA	\$292,109,420.29	3.17%	\$4,273,305	\$13,678,851	\$18,158,674	\$107,342,897.27
HI	\$16,122,107.54	0.17%	\$235,852	\$754,963	\$1,002,214	\$5,924,470.81
ID	\$43,017,508.19	0.47%	\$629,309	\$2,014,417	\$2,674,138	\$15,807,857.06
IL	\$291,571,756.89	3.16%	\$4,265,440	\$13,653,673	\$18,125,251	\$107,145,319.43
IN	\$184,518,231.79	2.00%	\$2,699,340	\$8,640,589	\$11,470,382	\$67,805,829.68
IA	\$106,994,252.91	1.16%	\$1,565,232	\$5,010,309	\$6,651,185	\$39,317,708.71
KS	\$89,985,157.93	0.98%	\$1,316,404	\$4,213,810	\$5,593,833	\$33,067,292.23
KY	\$91,253,526.86	0.99%	\$1,334,959	\$4,273,205	\$5,672,679	\$33,533,386.05
LA	\$132,839,412.22	1.44%	\$1,943,324	\$6,220,582	\$8,257,822	\$48,815,157.57
MA	\$175,118,416.23	1.90%	\$2,561,829	\$8,200,416	\$10,886,052	\$64,351,632.84
MD	\$93,207,504.27	1.01%	\$1,363,544	\$4,364,705	\$5,794,146	\$34,251,423.82
ME	\$31,990,398.80	0.35%	\$467,992	\$1,498,041	\$1,988,649	\$11,755,670.49
MI	\$275,848,247.28	2.99%	\$4,035,419	\$12,917,375	\$17,147,816	\$101,367,323.38
MN	\$111,171,380.51	1.20%	\$1,626,340	\$5,205,915	\$6,910,852	\$40,852,698.50
MO	\$212,394,690.04	2.30%	\$3,107,149	\$9,945,983	\$13,203,292	\$78,049,730.03
MS	\$207,029,244.73	2.24%	\$3,028,657	\$9,694,731	\$12,869,755	\$76,078,063.24
MT	\$20,910,913.99	0.23%	\$305,908	\$979,213	\$1,299,905	\$7,684,237.26
NE	\$37,442,912.57	0.41%	\$547,757	\$1,753,370	\$2,327,599	\$13,759,332.76
NV	\$66,772,390.61	0.72%	\$976,822	\$3,126,806	\$4,150,835	\$24,537,181.51
NH	\$27,894,461.23	0.30%	\$408,072	\$1,306,237	\$1,734,030	\$10,250,516.00
NJ	\$204,851,492.06	2.22%	\$2,996,798	\$9,592,751	\$12,734,377	\$75,277,793.66
NM	\$85,534,463.63	0.93%	\$1,251,294	\$4,005,393	\$5,317,160	\$31,431,773.52
NY	\$293,017,620.32	3.18%	\$4,286,592	\$13,721,380	\$18,215,132	\$107,676,638.04
NC	\$310,891,349.80	3.37%	\$4,548,069	\$14,558,368	\$19,326,233	\$114,244,786.05
ND	\$14,283,219.77	0.15%	\$208,951	\$668,852	\$887,901	\$5,248,725.60
OH	\$401,221,204.42	4.35%	\$5,869,515	\$18,788,319	\$24,941,494	\$147,438,745.68
OK	\$252,950,880.17	2.74%	\$3,700,450	\$11,845,141	\$15,724,425	\$92,953,114.34
OR	\$118,167,866.70	1.28%	\$1,728,693	\$5,533,545	\$7,345,781	\$43,423,731.98
PA	\$417,195,581.76	4.52%	\$6,103,207	\$19,536,364	\$25,934,524	\$153,308,929.34
PR	\$75,414,808.59	0.82%	\$1,103,253	\$3,531,512	\$4,688,082	\$27,713,053.70
RI	\$40,207,994.37	0.44%	\$588,208	\$1,882,853	\$2,499,488	\$14,775,431.09
SC	\$162,410,028.83	1.76%	\$2,375,917	\$7,605,309	\$10,096,048	\$59,681,618.70
SD	\$13,001,012.86	0.14%	\$190,193	\$608,809	\$808,194	\$4,777,546.67
TN	\$168,935,761.38	1.83%	\$2,471,383	\$7,910,895	\$10,501,714	\$62,079,662.00
TX	\$672,272,170.82	7.29%	\$9,834,754	\$31,481,048	\$41,791,091	\$247,043,188.47
UT	\$96,554,989.19	1.05%	\$1,412,515	\$4,521,461	\$6,002,239	\$35,481,540.70
VT	\$10,019,183.57	0.11%	\$146,572	\$469,177	\$622,832	\$3,681,799.07
VI	\$1,169,463.34	0.01%	\$17,108	\$54,763	\$72,698	\$429,748.49
VA	\$148,040,088.14	1.60%	\$2,165,697	\$6,932,396	\$9,202,756	\$54,401,025.33
WA	\$140,748,738.01	1.53%	\$2,059,031	\$6,590,958	\$8,749,497	\$51,721,636.74
WV	\$54,434,375.20	0.59%	\$796,327	\$2,549,044	\$3,383,856	\$20,003,269.80
WI	\$149,700,418.92	1.62%	\$2,189,986	\$7,010,146	\$9,305,969	\$55,011,155.32
WY	\$6,248,873.81	0.07%	\$91,416	\$292,621	\$388,455	\$2,296,304.65