



January 21, 2010

Thomas J. Betlach
Director
Arizona Health Care Cost Containment System
801 East Jefferson
Phoenix, Arizona 85034

Re: January 6, 2010 memo to Holders of AHCCCS Medical Policy Manuals
Chapter 300, Policy 310-J, Hospice Services

Dear Director Betlach:

On behalf of the 72 Hospice Provider members of the Arizona Hospice & Palliative Care Organization (AHPCO), we would like to express our serious concern about the double impact of the above referenced memo which eliminates the hospice benefit under AHCCCS and threatens the recoupment of funds for services already provided.

Hospices across Arizona have provided millions of dollars of care and services to AHCCCS patients from July 1, 2009 to January 2, 2010 trusting the validity of AHCCCS programs' approval for payment. Hospices have written agreements with these same AHCCCS programs guaranteeing payment for approved services. Arizona hospice providers are shocked by the proposal that payment for services, already provided in good faith, will be withdrawn. Hospice providers have already been impacted by funding cuts and any recoupment will place a disastrous strain on an agency's ability to keep their doors open and assist in the state's economic recovery.

Additionally, we believe that it is a mistake to withdraw funding for hospice care for adults on AHCCCS. **End of life care provided by hospices has proven to be more cost-effective** and results in better outcomes for patients and families. When hospice care is provided in the patient's home it is one tenth the cost of care provided in the hospital. Even when a hospice inpatient unit is necessary, care is less than half the cost of what AHCCCS programs pay hospitals.

Advancing Quality Hospice and Palliative Care for Arizonans

Arizona Hospice & Palliative Care Organization ~ 1843 E. Southern Avenue, Tempe, Arizona 85282
Tel: 480-491-0540 | Fax: 480-603-4141 | Email: info@ahpco.org | Web: www.ahpco.org

AHCCCS adult patients are typically young, desperately ill, and have complex social needs, especially at the end-of-life. Hospices provide intense services addressing: symptoms out of control, families in shock and the consequences of grief that follow the loss of a young life. Because of the complexities of symptom control for these patients, the chance that services could be provided without hospice, outside of an acute care setting is small.

Additionally, hospitals are not designed to provide the kind of social and bereavement support that hospices routinely provide to families of the dying. Without this support, families are far less likely to return to productive lives following the death of their loved one. This can result in consequences that further burden the healthcare and economic systems.

Furthermore, it appears short-sighted to place further physical and financial strain on hospitals at a time when DSH program funding is also being cut. Without access to cost-effective end-of-life alternatives like hospice, dying AHCCCS patients will end up in Arizona's emergency departments where they will receive costly diagnostic studies and screenings. Hospitals are already only reimbursed at a fraction of their cost for care of AHCCCS patients. Increasing the burden on hospitals and their crowded emergency departments is not only a dire care decision, it's a flawed fiscal one, as well.

We understand that the state is in a financial crisis and that new options are needed to finance healthcare for Arizona's low-income patients; however, as providers of the most cost-effective end-of-life care, we are unable to agree that eliminating the AHCCCS Hospice Benefit will result in a cost savings, either in the short or long term. **We ask that you do what is necessary to:**

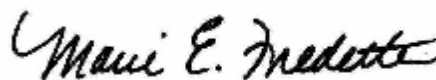
- 1) intervene and appropriate necessary funds to honor current authorizations for care; and,**
- 2) retain the hospice benefit for Acute Care patients on AHCCCS, as a humane and fiscally sound decision for Arizona.**

In closing, we appreciate the opportunity to comment on the AHCCCS Administration's plan and look forward to working with you and Governor Brewer, as well as lawmakers, to identify solutions for healthcare for Arizonans. If you have questions about AHPCO's concerns or need additional information, please feel free to contact either one of us.

Sincerely,



Carol MacLean, RN, CCM
President, AHPCO
Executive Director, Hospice Inspiris



Marie E. Fredette, CAE
Executive Director, AHPCO

cc: The Honorable Jan Brewer, Governor of Arizona
Eileen Klein
Beth Kohler Lazare
Senator Carolyn Allen
Senator Thayer Verschoor
Representative Nancy Barto
Representative Steve Court