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perspectives

***An Analysis and Commentary on Federal Health Care Issues
by Larry Goldberg***

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CMS Proposes FY 2019 Hospice Wage Index, Payment Rate and Quality Reporting Requirements



The Centers for Medicare and Medicaid Services (CMS) have issued a proposed rule that will update hospice payment rates, wage index values, and quality reporting items for fiscal year (FY) 2019.

The 129-page document is scheduled for publication in the ***Federal Register*** on May 8th. A copy is currently available at: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2018-08773.pdf>. This link will change upon publication. A 60-day comment period ending June 26th is provided.

CMS estimates that aggregate payments to hospices in FY 2019 will increase by \$340 million, or 1.8 percent, compared to payments in FY 2018. CMS estimates that in FY 2019, hospices in urban and rural areas will experience, on average, 1.8 percent and 1.9 percent increases, respectively, compared to FY 2018.

Comment

For those who are new to Medicare Hospice issues and want a long history lesson regarding the hospice program, this rule contains a dozen pages of such background material. Why CMS has to place so much history in almost every rule is troublesome and burdensome, and time consuming to read through.

Further, CMS spends almost 30 pages describing current trends in hospice utilization and provider behavior, such as lengths of stay, live discharge rates, skilled visits during the last days of life, and non-hospice spending, but offers no proposals or actions to this information.

If this is an update of rates and reporting requirements, the rule should simply achieve that purpose. Telling us about issues from 20 years ago doesn't seem appropriate in an update regulation.

Proposed FY 2019 Hospice Rate Update

Proposed FY 2019 Hospice Wage Index

For FY 2019, the hospice wage index will be based on the FY 2018 hospital pre-floor, pre-reclassified wage index. This means that the hospital wage data used for the hospice wage index is not adjusted to take into account any geographic reclassification of hospitals.

The appropriate wage index value is applied to the labor portion of the payment rate based on the geographic area in which the beneficiary resides when receiving Routine Home Care or Continuous

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Home Care. The appropriate wage index value is applied to the labor portion of the payment rate based on the geographic location of the facility for beneficiaries receiving General Inpatient Care or Inpatient Respite Care.

The proposed wage index applicable for FY 2019 is available on the CMS website at: <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/Hospice/index.html>.

Update Factor

CMS is proposing an estimated FY 2019 market basket increase of 2.9 percent. However, the 2.9 percent must be reduced by a Multi Factor Productivity (MFP) adjustment as mandated by the **Affordable Care Act** (ACA) (currently estimated to be 0.8 percentage point for FY 2019). The estimated inpatient hospital market basket update for FY 2019 is reduced further by 0.3 percentage point, as also mandated by the ACA. In effect, the proposed hospice payment update percentage for FY 2019 is 1.8 percent.

The labor portions of the hospice payment rates are: for RHC, 68.71 percent; for CHC, 68.71 percent; for General Inpatient Care, 64.01 percent; and for Respite Care, 54.13 percent. The non-labor portion of the payment rates are: for RHC, 31.29 percent; for CHC, 31.29 percent; for General Inpatient Care, 35.99 percent; and for Respite Care, 45.87 percent.

The proposed FY 2019 Routine Home Care rates are shown in the tables below.

Proposed FY 2019 Hospice RHC Payment Rates

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Code	Description	FY 2018 Payment Rates	Service Intensity Add-on (SIA) Budget Neutrality Factor (SBNF)	Wage Index Standard-ization Factor	Proposed FY 201 hospice payment update percentage	Proposed FY 2019 Payment Rates
651	Routine Home Care (days 1-60)	\$192.78	X 0.9991	X 1.0009	X 1.018	\$196.25
651	Routine Home Care (days 61+)	\$151.41	X 0.9998	X 1.0007	X 1.018	\$154.21

The proposed FY 2019 payment rates for CHC, IRC, and GIP are shown in the table below.

Proposed FY 2019 Hospice Payment Rates for CHC, IRC, and GIP

Code	Description	FY 2018 Payment Rates	Wage Index Standard-ization Factor	Proposed FY 2019 hospice payment update	Proposed FY 2019 Payment Rates
652	Continuous Home Care Full Rate= 24 hours of care \$41.62 = hourly rate	\$976.42	X 1.0048	X 1.018	\$998.77
655	Inpatient Respite Care	\$172.78	X 1.0007	X 1.018	\$176.01
656	General Inpatient Care	\$743.55	X 1.0015	X 1.018	\$758.07

For hospices that fail to meet quality reporting requirements the payments are reduced by 2.0 percent.

Hospice Cap Amount for FY 2019

The proposed hospice cap amount for the 2019 cap year will be **\$29,205.44**, which is equal to the 2018 cap amount (\$28,689.04) updated by the proposed FY 2019 hospice payment update percentage of 1.8 percent.

Proposed Regulations Text Changes in Recognition of Physician Assistants as Designated Attending Physicians

Section 51006 of the **Bipartisan Budget Act of 2018** amended section 1861(dd)(3)(B) of the Social Security Act such that, effective January 1, 2019, Medicare will pay for medically reasonable and necessary services provided by PAs to Medicare beneficiaries who have elected the hospice benefit and who have selected a PA as their attending physician. PAs will be paid 85 percent of the fee schedule amount for their services as designated attending physicians. Attending physician services provided by PAs may be separately billed to Medicare only if the PA is the beneficiary's designated attending physician, services are medically reasonable and necessary, services would normally be performed by a physician in the absence of the PA, whether or not the PA is directly employed by the hospice, and services are not related to the certification of terminal illness.

Updates to the Hospice Quality Reporting Program (HQRP)

Previously Adopted Quality Measures for FY 2019 Payment Determination and Future Years

CMS finalized the specific collection of data items that support the following 7 NQF-endorsed measures for hospice in 2014:

NQF #	Hospice Item Set Quality Measure	Year the measure was first adopted for use in APU determination
1641	Treatment Preferences	FY 2016
1647	Beliefs/Values Addressed (if desired by the patient)	FY 2016
1634	Pain Screening	FY 2016
1637	Pain Assessment	FY 2016
1639	Dyspnea Screening	FY 2016
1638	Dyspnea Treatment	FY 2016
1617	Patients Treated with an Opioid Who are Given a Bowel Regimen	FY 2016
3235	The Hospice and Palliative Care Composite Process Measure – Comprehensive Assessment at Admission	FY 2019
TBD	Hospice Visits when Death is Imminent	FY 2019

CMS also finalized two additional measures in FY 2017. Data collected will, if not reported, affect payments for FY 2019 and subsequent years:

- Hospice Visits when Death is Imminent
- Hospice and Palliative Care Composite Process Measure – Comprehensive Assessment at Admission

Form, Manner, and Timing of Quality Data Submission

The proposed rule would revise data review and correction timeframes for data submitted using the Hospice Item Set (HIS). To ensure that data reported on Hospice Compare is accurate and to align with other post-acute care quality reporting programs, CMS is proposing that hospices have 4.5 months after

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the end of each CY quarter to review and correct HIS data that is to be publicly reported. This proposed policy would go into effect January 1, 2019. This proposal would not impact the current 36-month timeframe providers have to correct records via modification and inactivation requests.

CMS also proposes that for the purposes of public reporting, the first quarterly freeze date for CY 2019 data corrections will be August 15, 2019.

The table below presents the proposed data correction deadlines for public reporting beginning in CY 2019.

Data Correction Deadlines for Public Reporting beginning CY 2019

Data Reporting Period*	Data Correction Deadline for Public Reporting*
Prior to January 1, 2019	August 15, 2019
January 1, 2019 – March 31, 2019	August 15, 2019
April 1, 2019 – June 30, 2019	November 15, 2019
July 1, 2019 – September 30, 2019	February 15, 2020
October 1, 2019 – December 31, 2019	May 15, 2020

*This CY time period involved is intended to inform both CY 2019 data and to serve as an illustration for the review and correction deadlines that are associated with each calendar year of data reporting quarter.

CAHPS® Participation Requirements for FY 2023 APU Determination and Determinations for Subsequent Years

The CAHPS® Hospice Survey of CMS’ HQRP is used to collect data on the experiences of hospice patients and the primary caregivers listed in their hospice records.

Measures derived from the CAHPS® Hospice Survey include 6 multi-item (composite) measures and 2 global ratings measures.

The six CAHPS® Hospice Survey composite survey-based measures are:

- Hospice Team Communication;
- Getting Timely Care;
- Treating Family Member with Respect;
- Getting Emotional and Religious Support;
- Getting Help for Symptoms; and
- Getting Hospice Care Training.

Each of the six composite survey-based measures consists of two or more questions.

The two global survey-based measures are:

- Rating of Hospice; and
- Willingness to Recommend Hospice.

CMS proposes to add for FY 2019 public reporting on the CMS Hospice Compare website the HIS-based Hospice Comprehensive Assessment Measure (NQF #3235) and Hospice Visits when Death is Imminent Measure Pair.

To meet participation requirements for the FY 2023 APU, Medicare-certified hospices must collect CAHPS® Hospice Survey data on an ongoing monthly basis from January 2021 through December 2021 (all 12 months) to receive their full payment for the FY 2023 APU.

To meet participation requirements for the FY 2024 APU, Medicare-certified hospices must collect CAHPS® Hospice Survey data on an ongoing monthly basis from January 2022 through December 2022 (all 12 months) to receive their full payment for the FY 2024 APU.

Volume based and Size Exemptions

CMS previously finalized a volume-based exemption for CAHPS® Hospice Survey Data Collection and Reporting requirements in the FY 2017 Hospice final rule. CMS proposes to continue its policy for a volume-based exemption for CAHPS® Hospice Survey Data Collection for FY 2023 and every year thereafter.

For example, for the FY 2023 APU, hospices that have fewer than 50 survey eligible decedents/caregivers in the period from January 1, 2020 through December 31, 2020 (reference year) are eligible to apply for an exemption from CAHPS® Hospice Survey data collection and reporting requirements (corresponds to the CY 2021 data collection period). To qualify, hospices must submit an exemption request form for the FY 2023 APU. The exemption request form is available on the official CAHPS® Hospice Survey Web site: <http://www.hospiceCAHPSsurvey.org>.

For FY 2024 APU, hospices that have fewer than 50 survey eligible decedents/caregivers in the period from January 1, 2021 through December 31, 2021 (reference year) are eligible to apply for an exemption from CAHPS® Hospice Survey data collection and reporting requirements.

Hospices that intend to claim the size exemption are required to submit to CMS their total unique patient count for the period of January 1, 2021 through December 31, 2021. The due date for submitting the exemption request form for the FY 2024 APU is December 31, 2022.

Final Comment

The payment rates and updates are simple and straight forward. The quality components require much more attention.

As we have noted in many previous analyses, the issue of quality and quality reporting continues to grow and grow exponentially. All have a significant impact and burden on providers and provider payments. Quality measures are to a significant extent, still new, complex, growing, changing and with many timeframe requirements.

CMS is rushing to implement quality items as it wants to move away from so-called volume performance to quality performance. A worthwhile goal, but, as we have also previously noted, are the quality measures truly measuring quality, and at what cost?