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perspectives

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

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



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

The 138-page document is scheduled for publication in the ***Federal Register*** on August 6th. A copy is currently available at: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2018-16539.pdf>. This link will change upon publication.

CMS estimates that aggregate payments to hospices in FY 2019 will increase by \$340 million.

Comment

This rule has no table of contents. Page numbers in red below, identify the issue being addressed in the display copy of the final rule.

The final rule, like the proposed rule, contains a dozen pages of history and background material. Why CMS has to place so much history in almost every rule is troublesome and burdensome, and time consuming to read through. Telling us about issues from 20 years ago doesn't seem appropriate in an update regulation. CMS keeps talking about reducing burden. The agency needs to look at its rulemaking and stop repeating the same stale items year after year. If this is an update of rates and reporting requirements, the rule should simply achieve that purpose.

FY 2019 Hospice Wage Index and Rate Update

FY 2019 Hospice Wage Index (**Page 25**)

For FY 2019, the hospice wage index will be based on the FY 2018 hospital pre-floor, pre-reclassified wage index. The hospice wage index applicable for FY 2019 (October 1, 2018 through September 30, 2019) is available at: <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/Hospice/index.html>.

Update Factor (**Page 34**)

The hospice payment update percentage for FY 2019 is based on the inpatient hospital market basket update of 2.9 percent. However, the 2.9 percent is reduced by a Multi Factor Productivity (MFP) adjustment as mandated by the ***Affordable Care Act*** (ACA) The MFP is 0.8 percentage point for FY 2019.

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The market basket update 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 hospice payment update percentage for facilities not submitting quality data will be -0.2 percent (FY 2019 hospice payment update of 1.8 percent minus 2.0 percentage points) for hospices that do.

Labor Portions **(Page 36)**

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.

Rates **(Page 40)**

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

FY 2019 Hospice RHC Payment Rates

Code	Description	FY 2018 Payment Rates	Service Intensity Add-on (SIA) Budget Neutrality Factor (SBNF)	Wage Index Standard-ization Factor	FY 2019 Hospice payment update percentage	Final 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 FY 2019 payment rates for CHC, IRC, and GIP are shown in the table below.

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

Code	Description	FY 2018 Payment Rates	Wage Index Standard-ization Factor	FY 2019 hospice payment update	FY 2019 Payment Rates
652	Continuous Home Care Full Rate= 24 hours of care \$41.62 = hourly rate	\$976.42	X 1.0034	X 1.018	\$998.38
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 **(Page 42)**

The 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 FY 2019 hospice payment update percentage of 1.8 percent.

Regulations Text Changes in Recognition of Physician Assistants (PAs) as Designated Attending Physicians (Page 46)

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) (Page 53)

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 hospices in 2014:

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

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

Form, Manner, and Timing of Quality Data Submission (Page 67)

The rule revises 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 adopting that hospices have 4.5 months after the end of each CY quarter to review and correct HIS data that is to be publicly reported. This policy will go into effect January 1, 2019. This item will not impact the current 36-month timeframe providers have to correct records via modification and inactivation requests.

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

The table below presents the 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 (Page 73)

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 will, as proposed, 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.

Final Comment

The payment rates and updates are simple and straight forward. The quality components require much more attention. The quality material in the rule spans 69 pages.

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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.

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?