HOSPICE Policy Update

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Objectives

- Review the top regulatory, reimbursement and legislative issues impacting hospices
- Describe OIG, GAO, and MedPAC activities and concerns impacting hospices
Mandatory ➔ Public Reporting
- January 31 2013 – Structural Measure
- April 1, 2013 – Pain Measure (NQF #0209)
- *Hospices not reporting will have their market basket update reduced by 2% in FY2014*

HQRP

Calendar Year 2013
Pain Measure January – December
Impacts payments in FY 2015

Will report 2013 data in 2014
Pain Measure
Structural Measure
HQRP
Hospice-specific Data Set

- pilot tested 2012
- developing revised data set
- expected release date?

HQRP

Measures Under Consideration

- 1617 Patients Treated with an Opioid who are Given a Bowel Regimen
- 1634 Pain Screening
- 1637 Pain Assessment
- 1638 Dyspnea Treatment
- 1639 Dyspnea Screening
- Considering NQF endorsed measure derived from the FEHC survey:
  - 0208 Family Evaluation of Hospice Care

HQRP
• Rural health clinic practitioners acting as attending physicians for hospice patients
• Disposal of Controlled Substances
• VA contracts for hospice services

Comments

End of life care in facilities
• SNF/NF
• F309 – similar to hospice conditions of participation at 418.110

HIPAA – finally released

Impacting Hospices
• Marketing practices and financial relationships with nursing homes
• GIP
• Acute care inpatient transfers to inpatient hospice care
• Compliance with reimbursement requirements

OIG Work Plan 2013

MAC
Medicare Administrative Contractors
RAC
Recovery Audit Contractors
CERT
Comprehensive Error Rate Testing
ZPIC
Zone Program Integrity Contractor
MIC
Medicaid Integrity Contractor

Medical Review
Effective April 1, 2013
Identify and perform retroactive adjustments on any previously paid claims that contain dates of service for period that beneficiary was unlawfully present in the US

CR 8009 “Unlawfully Present”

CR 7838 and CR 7857
$25,377.01
CAP calculation letters
• Hospices no longer need to submit data
• Hospices will receive notification from their MAC

Hospice Cap
• Program for Evaluating Payment Patterns Report
• Compares Medicare billing practices
  - State
  - MAC
  - National
• Second PEPPER – April 2013
  Live discharges
  Long length of stay

PEPPER Reports

Medicare Hospice Wage Index for FY 2013 – July 2012

Clarification to existing policy
Most hospices are not compliant

“Co-existing or additional diagnoses that are related”

Additional Diagnoses on Hospice Claims
Per visit data
- paid chaplains
- dietary and other counselors
- 15 minute increments hospice staff
  - GIP/Respite in facilities
  - hospice staff visits post-mortem that occur on the day of death
- DME
- Non-routine supplies
- Prescription and OTC drugs

Additional Data on Hospice Claims

Effective with claims received on or after January 1, 2013

Physician NPI vs. hospice NPI

CR 7902
Effective July 1, 2013

MUST submit claims by the calendar month for all active patients

Exception: revoke/discharged and return in same month

CR 8142 Monthly Billing

Medicare charges = non-medicare charges

Charges need to relate to actual cost of providing care

Charges need to be recorded at gross

A Note About Charges
Pending Payment Issues -- BNAF
- FY2011 through FY2016
- FY2014 and three more years of 0.6 percentage point reduction off total payments
- TOTAL IMPACT – 4% total off payments

Hospice Payment

Pending Payment Issues -- ACA savings
- FY2013 through 2019
- Productivity Adjustment – variable (0.7 to 1.5 %age points)
- Market Basket reduction 0.3 %age points*

Hospice Payment
Pending Payment Issues – Sequester

- LIMITED to 2% off payments eff. April 1
- Runs from 2013 through 2022
- Hospice impact in FY2013 – in combination with other cuts, MINUS 1.1% off FY2012 rates

Hospice Payment

• Affordable Care Act/March 2010 – Reform hospice payment system –
  - for at least routine home care
  - on a budget-neutral basis in first year
  - no earlier than 10/1/2013

Hospice Payment Reform
Technical Expert Panel (TEP) –
• June 2011; still active
• Identified gaps in data
• Taking opportunity to explore more than RHC
• No payment reform recommendation as yet – “U” shaped model or some version of that
• 2012 wage index notice -- multiple diagnoses on claims –used potential for case-mix system as rationale

Hospice Payment Reform

Future Hospice Payment Concerns
• OIG--reduce payment for hospice provided in nursing homes
• MedPAC – use to fund doc payment reform:
  – 6% cut, then 3% for hospices with 10% of patients served in nursing facilities*
• FY2014 – MedPAC recommends flat payment

Payment Issues
MedPAC -- Future Areas for Exploration:
• Shared decision-making; *
• Including hospice in MA rather than current carve-out;
• Focused FFS demonstrations of broader hospice eligibility;
• Including hospice in bundled payments approaches for episodes; *
• Potential end-of-life care quality measures.

Payment Issues

Retooling Medicare
Merge Parts A & B
  single deductible ($500)
  uniform copay (20%)
  catastrophic cap ($7,500)
IS HOSPICE KEPT SEPARATE OR INTEGRATED?

Payment Issues
Hospice HELP Act –

• Conduct hospice payment demonstration
• F2F – allow 7 days for new readmits (exceptional circumstances); additional clinicians to perform
• Require surveys every 3 years
• To be reintroduced by Sen. Wyden (D-OR) and Rep. Tom Reed (R-NY) in near future

Key Legislation

Rep. Blumenauer (D-OR)

• Care consultations -- “Death Panels”
• To be reintroduced
• High private sector activity in this area — POLST, ABIM – Choosing Wisely, public surveys, websites

Key Legislation
• **Medicare Reform** -- keep hospice separate, distinct from other Medicare services in reform efforts/no copays, deductible

• **Payment Updates** -- Protect financial integrity of hospice programs

• **Support the HELP Act**

**2013 Legislative Priorities**

**NAHC’s HHFMA/HAA Workgroup** – In 2009 discussions w/CMS seeking refinements:

• Include all components of services delivered

• To prompt software modifications/reduce submission errors

• Accurate data for decision-making

**Hospice Cost Report**
Cost Report Retooling

• December 2012 – CMS announced intent to make major changes to hospice cost report
• PRA notice – still waiting
• HHFMA Uniform Chart of Accounts http://www.hhfma.org/Accounts.htm

Hospice Cost Report

Uniform Chart of Accounts:

Hospice Cost Report
2009, 2010 and 2011 data
2009 – 2,100 hospices
2010 – 2,209 hospices
2011 – 2,273 hospices
Costs per day – non-weighted or facility weighted – average of each hospice’s costs; weighted is total costs divided by total days

Cost Report Analysis

<table>
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<tr>
<th>Year</th>
<th>Average Daily Costs</th>
<th>Length of Stay*</th>
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<tbody>
<tr>
<td>2009</td>
<td>$147.36</td>
<td>78.9 days</td>
</tr>
<tr>
<td>2010</td>
<td>$144.17</td>
<td>80.0</td>
</tr>
<tr>
<td>2011</td>
<td>$144.36</td>
<td>103.1</td>
</tr>
</tbody>
</table>

Cost Report Analysis
Hospice RN Cost Per Day

Hospice Aide Costs Per Day
Hospice Drugs Cost Per Day

Hospice DME Cost per Day
Hospice Medical Supplies Cost Per Day

- Non-Weighted Costs:
  - 2009: $2.15
  - 2010: $2.20
  - 2011: $2.25

- Weighted Costs:
  - 2009: $2.34
  - 2010: $2.36
  - 2011: $2.42

The graph shows the increase in costs from 2009 to 2011 for both non-weighted and weighted categories.

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Questions mark:
THANK YOU
FOR
ATTENDING

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