



704: How to Deal with Current and Future Changes: Hospice Policy Roundup Part 1

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1



Theresa M. Forster
VP Hospice Policy & Programs
NAHC
tmf@nahc.org

Katie Wehri
Hospice Operations
NAHC
Katie@nahc.org

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2

Hospice Policy Roundup I

- **FY2016 Hospice Payment Rule:**
 - Payment Reform
 - RHC payment modifications
 - Service intensity add-on (SIA)
 - Implementation issues
- **Hospice payment rates/wage index**
- **Hospice Cap issues**
 - Annual Update
 - Federal fiscal year alignment
- **Diagnosis Coding issues**
- **HQRP – submission requirements & public reporting comments**
- **Other regulatory issues**

FY2016 Hospice Rule Payment Reform

WHAT HAPPENED TO A TIERED MODEL?

- CMS: Additional payments at end of life should be contingent on the provision of services
- CMS operational issues: tiered payment requires major systems changes, claim reprocessing due to sequential billing rules

FY2016 Hospice Rule Payment Reform

Beginning Jan. 1, 2016:

Two-tiered payment system for RHC

Days 1 – 60 of “episode” -- \$186.84

Days 61 and thereafter of “episode” -- \$146.83

“Episode” – a hospice election period or series of election periods separated by no more than a 60-day gap

FY2016 Hospice Rule Payment Reform

Episode Day “Count”

Count of days tied to beneficiary days on service

Cumulative UNLESS gap of at last 60 days

All days are counted except non-hospice days

FY2016 Hospice Rule Payment Reform

SERVICE INTENSITY ADD-ON (SIA)

Beginning with services provided on/after January 1, 2016

- Add-on payment for RN or SW visits
- Up to 4 hours per day (15-minute increments)
- Paid at CHC hourly rate (\$39.37)

NOT applicable to visits for pronouncement, Post Mortem (PM) visits

FY2016 Hospice Rule Payment Reform

Criteria for SIA

- The day is billed as RHC
- The day occurs during the last 7 days of life
- Beneficiary is discharged dead
- Direct patient care – must be a visit - provided by RN or SW

CR 9369/New “G” Codes to distinguish hospice/home health RN (G0299) vs. LPN (G0300): <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2015-Transmittals-Items/R3378CP.html?DLPage=1&DLEntries=10&DLSort=1&DLSortDir=descending>

FY2016 Hospice Rule

CR 9201: Payment Reform

<https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3326CP.pdf>

CR 9301: Payment Rates, WI, Pricer

<https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R3345CP.pdf>

FY2016 Hospice Rule Payment Reform

BUDGET NEUTRALITY:

- By statute, required in first year of payment reform
- Budget neutrality is applied to each RHC rate to allow for SIA
- Budget neutrality between the 2 RHC rates and the SIA will be applied annually going forward, using most recent complete FY utilization data

FY2016 Hospice Rule Payment Reform

- 3-month delay in scheduled RHC payment changes/SIA to allow Medicaid programs, others to adapt (MEDICAID – ongoing readiness concerns)
- Between Oct. 1 and Dec. 31, 2015, a single RHC rate will be applied for days of care (\$161.89) and no SIA will be applicable
- CMS: To ascertain patient’s “day count” request record of hospice care for previous 12 mos. in HETS

FY2016 Hospice Rule Payment Reform

- No change in how a claim is billed
Exception: G-codes for RN and LPN visits
- Transfer days = both hospices include on claim;
discharge/admit days = one hospice gets payment
- Reaching inpatient cap = lower RHC rate
- Applies to svc. on/after 1/1/2016
Except that: episode day count may pre-date payment change (likely WILL in early days)

FY2016 Hospice Rule Payment Reform

- SIA rates
 - established using hospice claims data
 - CMS will use new cost report data when available to analyze costs, assess appropriateness of rate

- CMS will monitor discharge/revocation trends

- May consider case mix-based system/other changes in future

FY2016 Hospice Rule Payment Rates

	Proposed	Final
Hospital market basket	2.7 percent	2.4 percent
Productivity adjustment	0.6	0.5
Add'l ACA reduction	0.3	0.3
Net market basket	1.8 percent	1.6 percent (does NOT reflect impact of wage index changes)

FY2016 Hospice Rule Payment Rates

Code/Description	Labor portion	Non-labor portion	Proposed FY2016 Rate	FINAL FY2016 Rate
651 -- Routine Home Care (10/1 - 12/31/15)	68.71%	31.29%	-	\$161.89
651/Routine Home Care days 1 - 60 (eff. 1/1/2016)	68.71%	31.29%	\$ 188.20	\$186.84
651/Routine Home Care days 61+ (eff. 1/1/2016)	68.71%	31.29%	\$ 147.34	\$146.83
Rates NOT adjusted for wage index or failure to meet HQRP requirements				

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15

FY2016 Hospice Rule Payment Rates

Code/Description	Labor portion	Non-labor portion	Proposed FY2016 Rate	Final FY2016 Rate
652 -- Continuous Home Care	68.71%	31.29%	\$ 946.65 (\$39.44/hr.)	\$944.79 (\$39.37/hr.)
655 -- Inpatient Respite	54.13%	45.87%	\$ 167.78	\$167.45
656 -- General Inpatient Care	64.01%	35.99%	\$721.53	\$720.11
Rates are not adjust for wage index or failure to meet HQRP requirements				

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16

FY2016 Hospice Rule Payment Rates

FINAL FY2016 PAYMENT RATES:

- Average impact on payments of 1.1 percent
- Portion of payment must be adjusted by wage index
- Payment rates do NOT reflect impact of sequester
- Hospices failing to meet quality reporting requirements subject to a one-time 2 percentage point payment reduction

FY2016 Hospice Rule – Wage Index/CBSAs

- Proposed transition using 50/50 blend of existing and new CBSA designations in FY2016
- Fully transition to new CBSA designations in FY2017
- Changes for some areas from rural to urban
- See Column K of final wage index
<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/Hospice/Hospice-Regulations-and-Notices-Items/CMS-1629-F.html>

FY2016 Hospice Rule – Wage Index

FY2016 Wage Index values reflect full phase-out of Budget Neutrality Adjustment Factor (BNAF)

Impact of wage index-related changes on payments:

- Over 7 years – BNAF phase out reduces payment by 4 percent
- FY2016 -- BNAF and annual wage index changes: - 0.7;
Transitional CBSAs: +0.2

FY2016 Hospice Rule – CAP Issues

HOSPICE AGGREGATE CAP

2015 aggregate Cap: \$27,382.63 (CPI-U)

2016 aggregate Cap: \$27,820.75

(annual percentage update)

FY2016 Hospice Rule – CAP Issues

INPATIENT CAP ACCOUNTING YEAR TRANSITION

2016 CAP Year – days of care Nov. 1, 2015 – Oct. 31, 2016

2017 CAP Year – days of care Nov. 1, 2016 – Sept. 30, 2017

2018 CAP Year – days of care Oct. 1, 2016 – Sept. 30, 2017

FY2016 Hospice Rule – CAP Issues

AGGREGATE CAP ACCOUNTING YEAR TRANSITION

	Streamlined		Patient-by-patient (Proportional)	
	Patients	Payments	Patients	Payments
2016	9/28/15- 9/27/16	11/1/15- 10/31/16	11/1/15- 10/31/16	11/1/15- 10/31/16
2017	9/28/16- 9/30/17	11/1/16- 9/30/17	11/1/16- 9/30/17	11/1/16- 9/30/17
2018	10/1/17- 9/30/18	10/1/17- 9/30/18	10/1/17- 9/30/18	10/1/17- 9/30/18

FY2016 Hospice Rule – CAP Issues

- If hospice exceeds inpatient CAP CMS will reduce the daily rate to the lower of the two RHC rates
- **Rationale:** The higher RHC rate (\$186.84) exceeds the respite care payment rate (\$167.45)

FY2016 Hospice Rule – CAP Issues

- During 2015, hospices will have three CAP assessments:
 - Estimated 2014
 - Final 2013
 - Final 2014 (currently being conducted by MACs)

FY2016 Hospice Rule -- CAP Issues

CMS MAY CONSIDER FUTURE CHANGES (legislation required):

- Adjust aggregate CAP by wage index
- Rebase aggregate CAP
- Use cost report data to establish average episode cost for use as CAP value

Hospice Cost Report

- All facility-based hospice cost reports under revision; SNF finalized and HHA and hospital in process
- Anticipated effective date: CRY beginning on/after Oct. 1, 2015
- Continuing concerns about accuracy of some elements (location of some General Service Cost Centers)
- Alternative statistics – moveable equipment (\$\$ vs. square feet)

PROPOSED FY2016 Hospice Rule CMS Comments

Continuing CMS concern regarding

Unbundling of the Medicare Hospice Benefit

PROPOSED FY2016 Hospice Rule CMS Comments

It is our general view that hospices are required to provide virtually all the care that is needed by terminally ill patients.” Therefore, unless there is clear evidence that a condition is unrelated to the terminal prognosis; all conditions are considered to be related to the terminal illness.

**PROPOSED FY2016 Hospice Rule
CMS Comments**

Case – by – case basis

It is also the responsibility of the hospice physician to document why a patient's medical needs will be unrelated to the terminal prognosis.

**PROPOSED FY2016 Hospice Rule
CMS Comments**

Hospices may not be conducting comprehensive assessments as required

Hospices may not be updating the plan of care as required....

To recognize the conditions that effect an individual's terminal prognosis

FINAL FY2016 Hospice Rule Diagnosis Codes on Claims

ALL diagnoses identified in the initial and comprehensive assessments on hospice claims, whether related or unrelated to the terminal prognosis of the individual

Not required to distinguish between related and unrelated on CLAIMS

FY2016 Hospice Rule Diagnosis Codes on Claims

- Mental health disorders and conditions
- Comorbidities
- Hospices required to assess the patient's physical, emotional, spiritual and psychosocial well-being
- One diagnosis on claims
 - CY2012 – 72% of claims
 - FY2013 – 67% of hospices FY2014 – 49% of claims

CMS will continue to monitor

FY2016 Hospice Rule HQRP Update - HIS

- No new HIS measures
- 30 day submission deadline
- 2% penalty if not meeting submission requirements

- HIS submissions and payment penalty
 - January 1, 2016 to December 31, 2016 - 70%
 - January 1, 2017 to December 31, 2017 – 80%
 - January 1, 2018 to December 31, 2018 – 90%

FY2016 Hospice Rule HQRP Update - HIS

High priorities for future measure development:

- Patient-reported pain outcome measure that incorporates patient and/or proxy report regarding pain management;
- *Claims-based measures focused on care practice patterns including skilled visits in the last days of life, burdensome transitions of care for patients in and out of the hospice benefit, and rates of live discharges from hospice;*
- Responsiveness of hospice to patient and family care needs; and
- Hospice team communication and care coordination.

FY2016 Hospice Rule HQRP Update - HIS

Adoption of measures

- Beginning FY2018
- Measures automatically adopted for all subsequent years' payment determinations
 - UNLESS
- CMS proposes to remove, suspend, or replace the measures

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FY2016 Hospice Rule HQRP Update

New Providers

- Effective FY2018 payment determination year
- Begin reporting quality data on date they receive their CCN notification letter

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FY2016 Hospice Rule HQRP Update - CAHPS

Payment:

- FY 2018 APU - January – December 2016
- FY 2019 APU - January – December 2017
- No late submissions

Oversight Activities:

- Propose to publish a list of hospices meeting requirements
- Provider level reports in CASPER

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FY2016 Hospice Rule HQRP Update

Public reporting ?

Hospice Compare



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Hospice NOE/NOTR

Prohibitions remain for:

All manifestation codes

Dx. listed in Attachment A of CR 8877

Principal dx NOT required on NOTR

Note: No edit comparing dx on claim with dx on NOE

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Part D Prescribers

- Now effective Jan 1, 2016
- Requires active and valid physician or eligible practitioner NPI on the claim
- Prescription
 - Prescriber's legal name
 - Enrolled in Medicare in approved status or valid opt-out

<https://www.federalregister.gov/articles/2015/05/06/2015-10545/medicare-program-changes-to-the-requirements-for-part-d-prescribers>

<http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/MedicareProviderSupEnroll/InternetbasedPECOS.html>

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Reporting of Drugs on Claims

CR 9255

- Allow oral anti-cancer and anti-emetic drugs on hospice claims
- Effective Jan 1 2016

<https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1528OTN.pdf>

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Reporting of Drugs on Claims


CR 9255

On or after January 1, 2016

- Submit adjustment claims to restore service line items for oral anti-cancer and anti-emetic drugs for previously removed or omitted from hospice claims
- Submit service line items on the hospice claims for oral anti-cancer and anti-emetic drugs as previously instructed in CR 8358


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FINAL FY2016 Summary Implementation Dates



10-1-2015

- ICD 10
- All dx codes on claims
- CHC, GIP, Respite rate increase
- RHC *SINGLE* rate increase
 - *October 1, 2015 – December 31, 2015*
 - *\$161.89*



01-1-2016

- HQRP HIS threshold begins
- SIA
- ROUTINE HOME CARE rates
 - Higher rate days 1-60 \$186.84
 - Lower rate days 61+ \$146.83
 - Count of days tied to beneficiary
 - Cumulative UNLESS gap of at last 60 days
 - All days are counted

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43



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National Association for Home Care & Hospice

Theresa M. Forster
VP Hospice Policy & Programs
NAHC
tmf@nahc.org

Katie Wehri
Hospice Operations
NAHC
Katie@nahc.org

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44