The Proposed FY2019 Hospice Payment Rule and Other Key Issues in Hospice

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*NOTE: A link to Transmittal 3 (cost report edits) has been included on slide 11

Today’s Agenda

• FY2019 Proposed Hospice Payment Rule
  • Payment Updates
  • Regulatory Relief
  • PAs as Hospice Attending Physicians
  • “New” Cost Report Data
  • Proposed HQRP Changes
  • RFI on Interoperability of Clinical Info

• Application of Hospital Post-Acute Transfer Policy to Hospice Discharges

• Congressional Action on Opioids
Hospice Rule – Payment Updates

• APU
  • Hospital Market Basket Update 2.9%
  • Productivity Adjustment 0.8
  • Addl ACA Adjustment 0.3
    (Through FY2019)
  • TOTAL 1.8%

• Wage Index – FY2018 Hospital Wage Index

Hospice Rule – Payment Updates

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>FY2019 Proposed Payment Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>651</td>
<td>RHC (Routine Home Care) Tier 1 (days 1 – 60)</td>
<td>$196.25</td>
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<tr>
<td>651</td>
<td>RHC Tier 2 (days 61+)</td>
<td>$154.21</td>
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<tr>
<td>652</td>
<td>CHC (full rate=24 hours of care) ($41.62 hourly rate)</td>
<td>$998.77</td>
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<tr>
<td>655</td>
<td>IRC (Inpatient Respite)</td>
<td>$176.01</td>
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<tr>
<td>656</td>
<td>GIP (General Inpatient)</td>
<td>$758.07</td>
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</table>
Hospice Rule – Aggregate Cap

- Projected FY2019 Cap: FY2018 Cap ($28,689.04) + APU (1.8%) = $29,205.44

- CMS proposing technical change to “formalize” shift of Cap year to federal fiscal

- CMS soliciting input on this change

Hospice Rule – Regulatory Relief

- Response to FY2018 Regulatory Relief RFI
  - Sequential Billing
    - Can't eliminate – Tiered RHC, benefit periods
  - Reporting of Drug Detail on Claims
    - Not needed/quality, program integrity, payment
    - Oct. 1, 2018, no mandate to report drug detail
    - In lieu of detail, report aggregate monthly charges for
      - Drugs
      - Infusion Pumps/infusion drugs
    - Transmittal 4035/April 27, 2018
Transmittal 4035

• Beginning Oct. 1, 2018, FISS will provide on the stored claim record info on days paid at:
  • High RHC Rate
  • Low RHC Rate
• NAHC/HHFMA requested inclusion of this info in the PS&R
• Accuracy in financial monitoring

Hospice Rule – PAs as Attendants

• Effective January 1, 2019, BBA 2018 authorizes PAs to serve as hospice attending physicians
• Services by PAs designated as hospice attending physicians will be paid at 85% of fee schedule:
  • If “reasonable and necessary”
  • normally performed by physician
  • Whether or not PA is employed by hospice
  • NOT related to certification of terminal illness
Hospice Rule – PAs as Attendings

• PAs must:
  • Have graduated from accredited PA program, operate within state scope of practice

• PAs may NOT:
  • Certify terminal illness
  • Conduct hospice face-to-face
  • Serve as physician head of IDT

Hospice Rule – Cost Report Data

• Continuing analysis of “new” cost report data with an eye toward recalibration:
  • Costs by level of care
  • Labor/Non-labor portions
Hospice Rule – Cost Report Data

• Application of industry-recommended Level I edits:
  • 66% of hospices fail at least 1 Level I recommended edit
  • SIGNIFICANT implications for future payment decisions


Hospice Rule -- HQRP

• “High Level” work on Meaningful Measures Framework, Social Risk Factors, other areas

• Propose additional “measure removal factor” – when costs outweigh benefit
Hospice Rule -- HQRP

• Proposed revisions for HIS data review and correction time frames (1/1/2019)
  • Limit correction time frames to 4.5 months after close of CY quarter
  • Subsequent changes will NOT be reflected on Compare
  • Comments sought

Hospice Rule -- HQRP

• Hospice CAHPS
  • Propose extension of Hospice CAHPS requirements to all future years, continuation of public reporting practices
  • Propose to extend CAHPS “newness” exemption to all future years
Hospice Rule – Public Reporting

• Proposal to streamline process to bring measures to Compare

• Use subregulatory means to alert stakeholders of timing for public release

• Comment sought

Hospice Rule – Public Reporting

• CMS analysis: Despite SIA, only small improvement in RN/SW visits at end of life

• Hospice Visits when Death is Imminent Measure Pair:
  • Part of hospice reporting requirements April 2017
  • Need 4 quarters of data, validation process
  • Will submit to NQF
  • Public reporting during FY2019

• Subregulatory notice on timing for display
Hospice Rule – Public Reporting

• HIS Composite Measure:
  • minimum denominator of 20 patient stays
  • Public reporting Fall 2019
  • Remove direct display of 7 HIS component measures
    • Subregulatory notice on timing for display
• CMS also proposes public display of PUF-based measures/other information
  • seeks comment

HQRP – Additional Measure

• Under development: Claims-based “transitions” measure
• Hospice Live Discharge followed by:
  • Hospital care within 7 days
  • Death within 30 days
• Comment period closed April 25
RFI on Transfer of Health Info

• Obstacles to electronic exchange of patient clinical info persist

• How can CMS use existing CoP and CfC to advance electronic exchange of info that supports safe transitions of care?

Hospital Rule – Transfer to Hospice Care

• Effective October 1, 2018, post-acute transfer policy applies to hospice discharges
• Set list of “post-acute” DRGs
• FY2019 Hospital payment rule/Transmittal 2055 (April 27, 2018):
  • Immediate discharge to hospice (hospitals use patient status code 50 or 51)
  • HOSPITAL payment affected if final hospital/initial hospice day overlap and stay is 1 day or more LESS than geometric mean for DRG
Hospice Disposal of Opioids

• Current status: unless authorized by state law, hospice personnel may not dispose of unused controlled substances

• Since 2014 final rules on disposal, DEA has held town meetings where hospice disposal has been raised

• Interest in House/Senate

Hospice Disposal of Opioids

H.R. 5041
• Licensed physician, nurse, other (medical or nursing svcs)
• In home at death
• P&P drug management
• Training on disposal
• Documentation of disposal

S. 2680
• Licensed physician, RN, NP, PA (AG may authorize others)
• In home at death, expiration
• ∆ PoC – physician
• P&P drug management
• Documentation of disposal
• GAO study challenges/disposal requirements
Next Steps

- NAHC input for comments on:
  - Hospice payment rule items
    - Quality reporting changes
    - IRF on interoperability
  - Hospital “transfer” to hospice policy

- Continued work on opioid legislation
  - Disposal by multiple disciplines at PoC change