The FINAL FY 2020 Hospice Payment Rule and Implications for Hospice Practice
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Commercial Support provided by:
Today’s Program

- FY 2020 Payment Update
- Rebasing GIP, CHC, IRC & RHC reductions
- FY 2020 Payment rates
- Wage Index
- Aggregate Cap

- Proposed Election Statement & Addendum
- HQRP Updates
- Additional Issues

REBASING & FY 2020 PAYMENT RATES
FY 2020 Payment Update

<table>
<thead>
<tr>
<th></th>
<th>Proposed</th>
<th>FINAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital Market Basket</td>
<td>3.2 percent</td>
<td>3.0 percent</td>
</tr>
<tr>
<td>ACA Productivity adjustment</td>
<td>0.5 percent</td>
<td>0.4 percent</td>
</tr>
<tr>
<td>Net FY 2020 Annual Percentage Update</td>
<td>2.7 percent</td>
<td>2.6 percent</td>
</tr>
</tbody>
</table>

Rebasing of Hospice Payments

- CMS tracking daily care costs by level of care
- Daily costs estimated using:
  - Data from FY 2017 cost reports
    - Eliminate outliers and cost reports that failed edits
    - Exclude provider-based hospice data
    - Eliminate regional wage differences
  - Claims data
Rebasing of CHC, IRC, GIP

Comparison of FY 2019 Average Costs to Payments for CHC, IRC and GIP

<table>
<thead>
<tr>
<th>Level of Care</th>
<th>Estimated FY 2019 Average Costs per day</th>
<th>FY 2019 Per Diem Payment Rates</th>
<th>Estimated Percent Payment Increase Needed to Align with Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHC</td>
<td>$1,363.26 ($56.80 per hour)</td>
<td>$997.38 ($41.56 per hour)</td>
<td>+36.6%</td>
</tr>
<tr>
<td>IRC</td>
<td>$459.75 ($457.61)</td>
<td>$176.01</td>
<td>+161.2%</td>
</tr>
<tr>
<td>GIP</td>
<td>$992.99 ($994.45)</td>
<td>$758.07</td>
<td>+31.0%</td>
</tr>
</tbody>
</table>

Rebasing of CHC, IRC, GIP

Comparison of FY 2019 Average Costs for Payments for RHC

<table>
<thead>
<tr>
<th>Level of Care</th>
<th>Estimated FY 2019 Average Costs per Day</th>
<th>FY 2019 Payment Rates</th>
<th>Percent Difference Between Costs and Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>RHC Days 1-60</td>
<td>$160.80 ($171.89)</td>
<td>$196.25</td>
<td>-18.1% (14.2%)</td>
</tr>
<tr>
<td>RHC Days 61+</td>
<td>$124.43 ($118.95)</td>
<td>$154.21</td>
<td>-19.3% (29.6%)</td>
</tr>
</tbody>
</table>
Rebasing of CHC, IRC, GIP

Rebased Payment Rates for CHC, IRC, and GIP* using FY 2019 Values

<table>
<thead>
<tr>
<th>Level of Care</th>
<th>Rebased Payment Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuous Home Care (CHC)</td>
<td>$56.80 per hour/$1,363.26 (per day)</td>
</tr>
<tr>
<td>Inpatient Respite Care (IRC)</td>
<td>$437.86**</td>
</tr>
<tr>
<td>General Inpatient Care (GIP)</td>
<td>$992.99</td>
</tr>
</tbody>
</table>

*Prior to application of the FY 2020 hospice payment update percentage of 2.6 percent

** IRC payment rate accounts for 5 percent coinsurance ($459.75/1.05 = $437.86)

FY 2020 Payment Rates

FY 2020 Hospice RHC Payment Rates

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2019 Recalibrated Payment Rates*</th>
<th>Recalibrated 2019 RHC Rates Modified by:</th>
<th>FY 2020 Payment Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>RHC (days 1-60)</td>
<td>$190.91</td>
<td>SIA Budget Neutrality Factor</td>
<td>$194.50</td>
</tr>
<tr>
<td>RHC (days 61+)</td>
<td>$150.02</td>
<td>Wage Index Standardization Factor**</td>
<td>$153.72</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FY 2020 Hospice Payment Update of 2.6 percent</td>
<td></td>
</tr>
</tbody>
</table>

* FY 2019 RHC payment rate for days 1-60: = $196.25 (* 0.9728 = $190.91)

** Transition from FY 2019 Wage Index to FY 2020 Wage Index without 1-Year Lag
## FY 2020 Payment Rates

### FY 2020 Hospice CHC, IRC, and GIP Payment Rates

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2019 Rebased Rates</th>
<th>Rebased 2019 CHC, IRC, GIP rates modified by:</th>
<th>FY 2020 Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHC for 24 hours</td>
<td>$1,363.26 ($56.80 = hourly rate)</td>
<td>• Wage Index Standardization Factor*&lt;br&gt;• FY 2020 Hospice Payment Update</td>
<td>$1,395.63 ($58.15 = hourly rate)</td>
</tr>
<tr>
<td>IRC</td>
<td>$437.86</td>
<td></td>
<td>$450.10</td>
</tr>
<tr>
<td>GIP</td>
<td>$992.99</td>
<td></td>
<td>$1,021.25</td>
</tr>
</tbody>
</table>

*Transition from FY 2019 Wage Index to FY 2020 Wage Index without 1-Year Lag

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### NAHC Concerns

- Quality/amount/type of data used
- Variable redistributional impact
- Variability in costs for inpatient care based on mode of delivery
- Higher rates “passed through” to contracted facilities
- Escalation of costs for non-RHC levels of care
- Perverse incentives?
NAHC Recommendations

• Phase in rebasing over three-year period
• During phase-in, CMS should recalculate costs using newer cost report data
• Reform CHC criteria
• Create a better audit environment for GIP, other levels

Additional Issues

• Strong potential for future adjustment to labor/non-labor
• Will we see future rebasing/recalibration of payment by level of care?
• Will higher payments increase scrutiny?
Takeaways – Rebasing

• Review CMS impact table, identify projected impact on your hospice
• Revisit contracts for GIP and Respite
• Consider incentive to provide more GIP/Respite/CHC
• Examine processes for ordering, documenting higher levels of care
• Ensure adequacy of chart of account/accuracy of cost reporting -- KNOW YOUR COSTS by level of care

WAGE INDEX & AGGREGATE CAP
Wage Index

- CMS proposed elimination of one-year lag in hospital wage index data used for hospice payments
  - No net change overall
  - Providers impacted differentially
  - Bases hospice payments on more recent wage data
  - Less planning time (concern where major shift occurs)

NAHC Recommendations

- For 2020, use a 50-50 blend of 2019 and 2020 values) to allow for smoother transition
- CMS should develop wage index approach allowing for full comparability among provider types
Wage Index Final Action

• CMS opted for immediate transition to FY 2020 values

• NOTE: Initial wage index calculations contained duplicative locations, values were inaccurate as a result; MUST CONSULT FINAL TABLES

Aggregate Cap

• Previous year’s Aggregate Cap is updated by hospice payment update

• FY 2020 Aggregate Cap is $29,964.78 (proposed $29,993.99)

• Finalized as part of final rule
ELECTION STATEMENT & ADDENDUM

Finalized

• Modifications to election statement
• Election statement addendum
• Effective October 1, 2020
Election Statement & Addendum

- Continued concerns regarding spending outside of the Hospice Benefit
- Purpose
  - Greater transparency
  - Hold hospices accountable

Election Statement

Finalized additions:

- Information about the holistic, comprehensive nature of the Medicare hospice benefit;
- A statement that, although it would be rare, there could be some necessary items, drugs, or services that will not be covered by the hospice because the hospice has determined that these items, drugs, or services are to treat a condition that is unrelated to the terminal illness and related conditions
Election Statement

Finalized additions:
- Information about beneficiary cost-sharing for hospice service
- Notification of the beneficiary’s (or representative’s) right to request an election statement addendum that includes a written list and a rationale for the conditions, items, drugs, or services that the hospice has determined to be unrelated to the terminal illness and related conditions and that immediate advocacy is available through the BFCC-QIO if the beneficiary (or representative) disagrees with the hospice’s determination.

Immediate Advocacy

- Informal alternative dispute resolution process
- Quickly resolve a Medicare beneficiary’s verbal complaint
  - Quality of Medicare-covered health care received or
  - Services that accompany medical care
- Voluntary for both beneficiary and provider
Immediate Advocacy

• QIO must receive complaint within 6 months from the date of service on which the care concerning the complaint occurred
• Complaint is about matter unrelated to clinical quality of health care itself but related to items/services that accompany or are incidental to the medical care

Immediate Advocacy

• Related to the clinical quality of health care but does rise to the level of being a
  – gross and flagrant
  – substantial
  – serious or urgent
  quality of care concern
Immediate Advocacy

• Beneficiary agrees to disclosure of name
• All parties consent to use of IA
• All parties agree to limitations on redisclosure
  All communication – written and oral – during the IA process must not be redisclosed without written consent of all parties

Immediate Advocacy

• QIO does not make clinical determinations regarding the hospice’s determination of unrelated items, services, or drugs
• QIO cannot require services be covered, provided or paid for by Medicare
Election Statement Addendum

Purpose:
• Inform beneficiaries/families of non-covered
  – conditions,
  – items,
  – services, and
  – drugs
to provide full coverage transparency to hospice patients and their families to assist in making treatment decisions
• Help facilitate communication and benefit coordination between hospices and non-hospice providers.

Addendum

• No proposed form
• Condition of payment
• Must be provided upon request
• Patient Notification of Hospice Non-Covered Items, Services, and Drugs
• Eight specific items included
Addendum

“We do not want hospices to perceive that the purpose of this addendum is punitive against hospices, nor that it is a mechanism to deny claims; rather we want hospices to understand that the intent of this addendum is to keep patients at the forefront of their decision-making equipped with adequate information to make care choices as they approach the end of life.”

Patient Notification of Hospice Non-Covered Items, Services, and Drugs

1. Name of the hospice;
2. Beneficiary’s name and hospice medical record identifier;
3. Identification of the beneficiary’s terminal illness and related conditions;
Patient Notification of Hospice
Non-Covered Items, Services, and Drugs

4. A list of the beneficiary’s current diagnoses/conditions present on hospice admission (or upon plan of care update, as applicable) and the associated items, services, and drugs, not covered by the hospice because they have been determined by the hospice to be unrelated to the terminal illness and related conditions;

Patient Notification of Hospice
Non-Covered Items, Services, and Drugs

5. A written clinical explanation, in language the beneficiary and his or her representative can understand, as to why the identified conditions, items, services, and drugs are considered unrelated to the terminal illness and related conditions and not needed for pain or symptom management.

This clinical explanation would be accompanied by a general statement that the decision as to whether or not conditions, items, services, and drugs is related is made for each patient and that the beneficiary should share this clinical explanation with other health care providers from which they seek services unrelated to their terminal illness and related conditions;
Patient Notification of Hospice
Non-Covered Items, Services, and Drugs

6. References to any relevant clinical practice, policy, or coverage guidelines.

7. Information on the following domains

Purpose of Addendum
The purpose of the addendum is to notify the hospice beneficiary (or representative) of those conditions, items, services, and drugs the hospice will not be covering because the hospice has determined they are unrelated to the beneficiary’s terminal illness and related conditions.

The addendum is subject to review and shall be updated, as needed, when the plan of care is updated in accordance with §418.56. The hospice will provide these updates, in writing, to the beneficiary (or representative).

Right to Immediate Advocacy
The addendum must include language that immediate advocacy is available through the BFCC-QIO if the beneficiary (or representative) disagrees with the hospice’s determination.

Must include contact information for the BFCC-QIO
Patient Notification of Hospice
Non-Covered Items, Services, and Drugs

Must include the following statement:

“We encourage you to contact your hospice provider to discuss any concerns about the diagnoses/conditions, as well as items, services, and medications listed on this form that you believe should be covered by the hospice. Beyond issues related to Medicare coverage, if you believe that your care concerns were not adequately addressed by your hospice provider, you may contact the Medicare Beneficiary and Family Centered Care Quality Improvement Organization (BFCC-QIO) to help you. While it cannot require services be covered, provided, or be paid for by Medicare, the BFCC-QIO addresses quality of care issues for people with Medicare. There are various ways the BFCC-QIO can assist you: (a) verbally engaging providers on your behalf to seek quick resolution, known as Immediate Advocacy, or (b) by having an independent physician review of your medical documentation to determine if there was a quality issue.”

8. Name and signature of Medicare hospice beneficiary (or representative) and date signed, along with a statement that signing this addendum (or its updates) is only acknowledgement of receipt of the addendum (or its updates) and not necessarily the beneficiary’s agreement with the hospice’s determinations.
Patient Notification of Hospice Non-Covered Items, Services and Drugs

• Hospices to provide the addendum to:
  – Patient/representative
  – Non-hospice providers, upon request
  – Medicare administrative contractors, upon request

• Potentially used at point-of-service when hospice patients fill Part D prescriptions

Patient Notification of Hospice Non-Covered Items, Services and Drugs

Timing:
• If requested at time of election, within 5 days after the election
• Requirement considered met if patient dies with 5 days after election
• If requested during course of care, within 72 hours
Patient Notification of Hospice Non-Covered Items, Services and Drugs

- Addendum must be updated
- Beneficiary would sign and date any updates

Takeaways – Election & Addendum

- Consider how your agency determines unrelated items, services, drugs
  - Time frame and how often revisited/updated
  - Level of physician involvement
  - Documentation
  - Communication
- Review communication to patients regarding revocations
CMS sought input on:

- Claims based measures
  - Potentially avoidable hospice care transitions, and
  - Access to levels of hospice care
- Name for hospice assessment tool
Hospice Assessment Tool

HOPE
Hospice Outcomes & Patient Evaluation

HQRP

• CMS continues to analyze and test Measure 2 of the Hospice Visits When Death is Imminent Paired Measure
• Migration to iQIES
  – Notify public of any changes to the CMS-designated system using sub-regulatory means
HQRP

• Public reporting – use of information from publicly available government sources
  – CDC, Census Bureau, etc.
  – As soon as FY 2020
  – CMS confirmed commitment to using sub-regulatory process for soliciting stakeholder feedback
  – Will provide mock-ups of data for feedback

CAHPS Hospice Survey

• CMS considering changes
  – Ways to simplify and shorten the survey
  – Using web-based data collection in conjunction with traditional survey methods
  – Making language “friendlier”
  – Possible changes to timing
CAHPS Hospice Survey

• Extend volume-based exemption for FY 20201 and every year thereafter
• FY 2022 CMS will provide an automatic exemption to any hospice that:
  – Is an active agency and
  – According to CMS data sources has served less than a total of 50 unique decedents/caregivers in the reference year.
• The automatic exemption would be good for one year and would be reassessed in subsequent years.

HQRP – CAHPS Hospice Survey

• Extend survey participation requirements for all future years
Upcoming Events

2019 Home Care and Hospice Conference and Expo

October 13-15, 2019 | Seattle, WA

seattle2019.NAHC.org
Upcoming Webinars

Part I: Medicare Advantage Overview for Home Health
Wednesday, August 14, 2019 | 2:00 - 3:00 PM EDT

Home Health PEPPER Report
Thursday, August 15, 2019 | 11:30 AM - 1:00 PM EDT

PDGM: Electronic Medical Record Readiness
Thursday, August 15, 2019 | 2:00 - 3:00 PM EDT

Contact Information

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