



**The Final FY2021 Hospice Payment Rule and Election
Statement/Addendum Requirements
August 6, 2020**

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PAYMENT ISSUES

FY2021 Payment Issues

- **Wage Index Changes**
 - Every 10 years: major revisions to statistical areas
 - September 2018 and early 2020: OMB issued additional refinements to labor market delineations that impact wage index values

FY2021 Payment Issues

– Proposed and finalized:

- Changes to delineations based on 2018 changes
- One-year transition policy imposing 5% cap on decrease over previous year's wage index value

– Impact:

- New CBSAs, splitting of existing CBSAs, urban to rural, rural to urban

FY2021 Payment Issues

REMINDER

- Wage index for patient's residence is applied to labor portion of base payment rate for RHC, CHC
- Wage index for facility location is applied to labor portion of base payment rate for IRC, GIP

FY2021 Payment Issues

REMINDER

Labor/Non-Labor Portions of Payment

| | Labor | Non-labor |
|-----|-------|-----------|
| RHC | 68.71 | 31.29 |
| CHC | 68.71 | 31.29 |
| GIP | 64.01 | 35.99 |
| IRC | 54.13 | 45.87 |

FY2021 Payment Issues

REMINDER

- Base payment rate: RHC
 - (Previous year's base rate) X (SIA Budget Neutrality Factor) X (Wage Index Stabilization Factor) X (Payment Update Percentage) = NEW BASE PAYMENT
- CHC, GIP, IRC
 - (Previous year's base rate) X (Wage Index Stabilization Factor) X (Payment Update Percentage) = NEW BASE PAYMENT

FY2021 Payment Issues - Update

| | Proposed | Final |
|-------------------------|----------|--------|
| Hospital MB | 3.0 | 2.4 |
| Productivity Adjustment | 0.4 | (-0.1) |
| | 2.6 | 2.4 |

FY2021 Payment Issues

| Description | FY2020 Base Payment Rate | FY2021 Proposed Base Payment Rate | FY2021 FINAL Base Payment Rate |
|-----------------|--------------------------|-----------------------------------|--------------------------------|
| RHC (days 1-60) | \$194.50 | \$199.34 | \$199.25 |
| RHC (days 61+) | \$153.72 | \$157.56 | \$157.49 |
| CHC (24 hours) | \$1,395.63 | \$1,430.63 (\$59.61/hour) | \$1,432.41 (\$59.68/hour) |
| IRC | \$450.10 | \$461.48 | \$461.09 |
| GIP | \$1,021.25 | \$1,046.55 | \$1,045.66 |

FY2021 Payment Issues

- Quality reporting requirements for FY2021 payment cycle:
 - 90% of 2019 HIS records submitted within 30 days of admission/discharge (January 1 through September 30, 2019)
 - Monthly participation in CAHPS (deaths occurring January 1 through September 30, 2019)
- Failure to meet quality reporting requirements will result in a 0.4% update

FY2021 Payment Issues

- FY 2021 Aggregate Cap: \$30,683.93
- Service-Intensity Add-on (SIA) Budget Neutrality Factor (SBNF)
 - **Proposed:** Elimination of SBNF
 - **Finalized:** NO ACTION on SBNF; CMS will monitor

ELECTION STATEMENT AND ADDENDUM

Election Statement & Addendum

Finalized in FY2020 Hospice Final Rule

- 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 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.

Hospice Philosophy and Coverage of Hospice Care

By electing hospice care under the Medicare hospice benefit, I acknowledge that:

- I was given an explanation and have a full understanding of the purpose of hospice care including that the nature of hospice care is to relieve pain and other symptoms related to my terminal illness and related conditions and such care will not be directed toward cure. The focus of hospice care is to provide comfort and support to both me and my family/caregivers.
- I was provided information on which items, services, and drugs the hospice will cover and furnish upon my election to receive hospice care.
- I was provided with information about potential cost-sharing for certain hospice services, if applicable.
- I understand that by electing hospice care under the Medicare hospice benefit, I waive (give up) the right to Medicare payments for items, services, and drugs related to my terminal illness and related conditions. This means that while this election is in force, Medicare will make payments for care related to my terminal illness and related conditions only to the designated hospice and attending physician that I have selected.
- I understand that items, services, and drugs unrelated to my terminal illness and related conditions are exceptional and unusual and, in general, the hospice will be providing virtually all of my care while I am under a hospice election. The items, services, and drugs determined to be unrelated to my terminal illness and related conditions continue to be eligible for coverage by Medicare under separate benefits.

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- I understand that items, services, and drugs unrelated to my terminal illness and related conditions are exceptional and unusual and, in general, the hospice will be providing virtually all of my care while I am under a hospice election. The items, services, and drugs determined to be unrelated to my terminal illness and related conditions continue to be eligible for coverage by Medicare under separate benefits.

Right to Request “Patient Notification of Hospice Non-Covered Items, Services, and Drugs

- As a Medicare beneficiary who elects to receive hospice care, you have the right to request at any time, in writing, the “**Patient Notification of Hospice Non-Covered Items, Services, and Drugs**” addendum that lists conditions, items, services, and drugs that the hospice has determined to be unrelated to your terminal illness and related conditions, and that will not be covered by the hospice.
- The hospice must furnish this notification within 5 days, if you request this form on the start of care date, and within 72 hours (or 3 days) if you request this form during the course of hospice care.

Beneficiary and Family-Centered Care Quality Organization (BFCC-QIO)

As a Medicare hospice beneficiary, you have the right to contact the Beneficiary and Family-Centered Care Quality Organization (BFCC-QIO) to request Immediate Advocacy if you disagree with any of the hospice's determinations. The BFCC-QIO that services your area is:

BFCC-QIO Name: _____

BFCC-QIO Phone Number: _____

Immediate Advocacy

- Informal alternative dispute resolution process
- Quickly resolve a Medicare beneficiary's verbal complaint
- Voluntary for both beneficiary and provider

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
 - drugsto 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

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 Name: _____ |
| Patient MRN: _____ |
| Hospice Agency Name: _____ |

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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;

Diagnoses Related to Terminal Illness and Related Conditions

| | |
|----|----|
| 1. | 5. |
| 2. | 6. |
| 3. | 7. |
| 4. | 8. |

Diagnoses Unrelated to Terminal Illness and Related Conditions:

| | |
|----|----|
| 1. | 5. |
| 2. | 6. |
| 3. | 7. |
| 4. | 8. |

Non-covered Items, Services, and Drugs Determined by Hospice to be Unrelated to Your Terminal Illness and Related Conditions:

| Items/Services/Drugs | Reason for Non-coverage |
|----------------------|-------------------------|
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Patient Notification of Hospice Non-Covered Items, Services, and Drugs

- 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;

Non-covered Items, Services, and Drugs Determined by Hospice to be Unrelated to Your Terminal Illness and Related Conditions:

| Items/Services/Drugs | Reason for Non-coverage |
|----------------------|-------------------------|
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Note: The hospice makes the decision as to whether or not conditions, items, services, and drugs are related for each patient. As the patient or representative, you should share this list and clinical explanation with other healthcare providers from which you seek items, services, or drugs, unrelated to your terminal illness and related conditions to assist in making treatment decisions. The hospice should provide its reasons for non-coverage in language that you (or your representative) understand.

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).

Purpose of Issuing this Notification

The purpose of this addendum is to notify the requesting Medicare beneficiary (or representative), in writing, of those conditions, items, services, and drugs not covered by the hospice because the hospice has determined they are unrelated to your terminal illness and related conditions. If you request this notification on the effective date of the hospice election (that is, on the start date of hospice care), the hospice must provide you this form within 5 days. If you request this form at any point after the start date of hospice care, the hospice must provide you this form within 3 days.

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

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

Right to Immediate Advocacy

As a Medicare beneficiary, you have the right to contact the Medicare Beneficiary and Family Centered Care-Quality Improvement Organization (BFCC-QIO) to request for Immediate Advocacy if you (or your representative) disagree with the decision of the hospice agency on items not covered because the hospice has determined they are unrelated to your terminal illness and related conditions.

Please visit this website to find the BFCC-QIO for your area: <https://qioprogram.org/locate-your-qio> or call 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048.

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.”

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

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.

Signing this notification (or its' updates) is only acknowledgement of receipt of this notification (or its updates) and does not constitute your agreement with the hospice's determinations.

Signature of Beneficiary: _____

Date Signed: _____

Beneficiary is unable to sign

Signature of Representative: _____

Date Signed: _____

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
- Can be provided electronically

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

Timing:

- If requested at time of election, within 5 days after the election
 - At time of election = day of election
 - If requested after day of election = during course of care
- Requirement considered met if patient dies with 5 days after election
- If requested during course of care, within 72 hours
 - Transfers are considered ‘during course of care’

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

- Addendum must be updated
 - Hospices are free to develop any process for addendum updates to distinguish whether any updates are additions, deletions, or modifications, similar to processes hospices have in place for updates to the hospice plan of care
- Beneficiary would sign and date any updates

TABLE 9: Differences between the Advance Beneficiary Notice (ABN) and the Hospice Election Statement Addendum

| Type of Document | Purpose of Document | Timing to Provide to Beneficiary | When it is Used by Hospices |
|-------------------------------------|--|--|---|
| Advance Beneficiary Notice (ABN) | To transfer potential financial liability to the Medicare beneficiary in certain instances. | Prior to delivery of the item or service in question. The hospice must provide enough time for the beneficiary to make an informed decision on whether or not to receive the service or item in question and accept potential financial liability | <p>If there is an item or service that is usually paid for by Medicare Part A but may not be paid for in this particular case because it is not considered medically reasonable and necessary.</p> <p>If a patient is not terminally ill</p> <p>If the level of hospice care is determined to be not reasonable or medically necessary.</p> |
| Hospice Election Statement Addendum | To inform the beneficiary (or representative) upon request, of any items, services, or drugs the hospice will not be providing because the hospice has determined them to be unrelated to the terminal illness and related conditions. | <p>If the addendum is requested at the time of hospice election, the hospice has 5 days from the effective date of the election to furnish this information in writing.</p> <p>If the addendum is requested during the course of hospice care (that is, after the effective date of the election), the hospice has 72 hours (or 3 days) from the date of the request to furnish this information in writing.</p> | <p>Upon beneficiary request, if the hospice has determined that certain items, services, and drugs are unrelated to the terminal illness and related conditions and not covered by hospice.</p> <p>However, these items, services, and drugs may be covered under other Medicare benefits if coverage and eligibility requirements are met.</p> |

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
- Review communication to patients regarding unrelated items and items related but not reasonable and necessary

Resources

- Hospice final rule, wage index, and model election statement and addendum:
<https://www.cms.gov/medicare/medicare-fee-service-payment/hospice/hospice-regulations-and-notices/cms-1733-f>

Q & A

Join NAHC

NAHC is the leading trade association for home care and hospice professionals and we serve as the unified voice for the industry.

Whether you're a home care provider, a hospice administrator, or a technology company that provides services for the industry, there's a place for you at NAHC.

Join your peers and fellow leaders as part of the NAHC community today! Learn more at: <http://nahc.org/join>



Upcoming Events

Webinar

**The Final FY2021 Hospice Payment Rule
Election Statement / Addendum Requirement**

August 26, 2020

**2020 Home Care and Hospice
Conference and Expo**

October 18-20, 2020

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Contact Information

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Model Example of Hospice Election Statement

Patient Name: _____

Hospice Agency Name: _____

Hospice Election

I, _____ (Patient Name) choose to elect the Medicare hospice benefit and receive Hospice services from _____ (Name of Hospice Agency) to begin on _____ (Start of Care Date).

(Note: The start of care date, also known as the effective date of the election, may be the first day of hospice care or a later date, but may be no earlier than the date of the election statement. An individual may not designate an effective date that is retroactive.)

Right to choose an attending physician

- I understand that I have a right to choose my attending physician to oversee my care.
- My attending physician will work in collaboration with the hospice agency to provide care related to my terminal illness and related conditions.

I do not wish to choose an attending physician

I acknowledge that my choice for an attending physician is:

(Please provide any information that will uniquely identify your attending physician choice.)

Physician Full name: _____

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- I was provided with information about potential cost-sharing for certain hospice services, if applicable.
- I understand that by electing hospice care under the Medicare hospice benefit, I waive (give up) the right to Medicare payments for items, services, and drugs related to my terminal illness and related conditions. This means that while this election is in force, Medicare will make payments for care related to my terminal illness and related conditions only to the designated hospice and attending physician that I have selected.
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Model Example of Hospice Election Statement

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As a Medicare hospice beneficiary, you have the right to contact the Beneficiary and Family-Centered Care Quality Organization (BFCC-QIO) to request Immediate Advocacy if you disagree with any of the hospice’s determinations. The BFCC-QIO that services your area is:

BFCC-QIO Name: _____

BFCC-QIO Phone Number: _____

Signature of Beneficiary: _____

Date Signed: _____

Beneficiary is unable to sign

Signature of Representative: _____

Date Signed: _____

Model Example of “Patient Notification of Hospice Non-Covered Items, Services, and Drugs”

Patient Name: _____

Patient MRN: _____

Hospice Agency Name: _____

Purpose of Issuing this Notification

The purpose of this addendum is to notify the requesting Medicare beneficiary (or representative), in writing, of those conditions, items, services, and drugs not covered by the hospice because the hospice has determined they are unrelated to your terminal illness and related conditions. If you request this notification on the effective date of the hospice election (that is, on the start date of hospice care), the hospice must provide you this form within 5 days. If you request this form at any point after the start date of hospice care, the hospice must provide you this form within 3 days.

Diagnoses Related to Terminal Illness and Related Conditions

| | |
|----|----|
| 1. | 5. |
| 2. | 6. |
| 3. | 7. |
| 4. | 8. |

Diagnoses Unrelated to Terminal Illness and Related Conditions:

| | |
|----|----|
| 1. | 5. |
| 2. | 6. |
| 3. | 7. |
| 4. | 8. |

Non-covered Items, Services, and Drugs Determined by Hospice to be Unrelated to Your Terminal Illness and Related Conditions:

| Items/Services/Drugs | Reason for Non-coverage |
|----------------------|-------------------------|
| | |
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Note: The hospice makes the decision as to whether or not conditions, items, services, and drugs are related for each patient. As the patient or representative, you should share this list and clinical explanation with other healthcare providers from which you seek items, services, or drugs, unrelated to your terminal illness and related conditions to assist in making treatment decisions. The hospice should provide its reasons for non-coverage in language that you (or your representative) understand.

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Date Signed: _____

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Date Signed: _____