



**HOME CARE & HOSPICE**  
National Association for Home Care & Hospice

**FY2022 Hospice Final Rule: What's in Store for  
Hospice Payment and Quality Measures**  
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1

**HOSPICE PAYMENT ISSUES**

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2

## Hospice Utilization and Spending

- In-depth focus:
  - Levels of care
  - Length of stay
  - Live discharge rates
  - SIA payments
  - Spending outside of hospice during election
  - Part A, Part B and Part D

3

## FY2022 Payments

- Wage index
  - No major adjustments this year
  - REMINDER: in 2021 5% cap on wage index decreases; removed for FY2022
- FY2022 Payment Update Percentage
  - Proposed: 2.3%
    - Hospital market basket: 2.5%
    - Less ACA productivity adjustment: 0.2 percentage point
  - FINAL: 2.0%
    - Hospital market basket: 2.7%
    - Less ACA productivity adjustment: 0.7 percentage point

4

## FY2022 Payments

	FY2021 Payment Rates	Adjustments	FINAL FY2022 Hospice Payment Update	FINAL FY2022 payment rates
Routine Home Care (days 1-60)	\$199.25	*SIA budget neutrality factor	X 1.02	\$199.41
Routine Home Care (days 61+)	\$157.49	*Wage index standardization factor *Labor share standardization factor	X 1.02	\$157.58

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5

5

## FY2022 Payments

	FY2021 Payment Rates	Adjustments	FINAL FY2022 Hospice Payment Update	FINAL FY2022 Payment Rates
Continuous Home Care = 24 hours	\$1,432.41 (\$59.68 per hour)	*Wage Index Standardization Factor	X 1.02	\$1,433.84 (\$59.74 per hour)
Inpatient Respite Care	\$461.09	*Labor Share Standardization Factor	X 1.02	\$464.46
General Inpatient Care	\$1,045.66		X 1.02	\$1,047.33

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6

6

## FY2022 Payments

- Hospice Aggregate Cap amount:
  - \$31,297.61
- Hospice Aggregate Cap Update:
  - Cap update factor changed for 2016 through 2025 under IMPACT Act (from CPI-U factor to annual payment update)
  - CAA of 2021 extends use of hospice annual payment update to Cap years 2026 through 2030

## Revised/Rebased Hospice “Labor Shares”

- CMS has planned to revise hospice “labor shares” -- portion of hospice payment modified by wage index to address variation in labor costs
  - CHC and RHC labor shares (68.71%) established in 1984 using HHA cost limits
  - IRC (54.13%) and GIP (64.01%) labor shares based on SNF cost limits and SNF costs per day

## Revised/Rebased Hospice “Labor Shares”

- Beginning with FY2022
  - Rebase and revise labor share for each level of care using freestanding hospice 2018 cost report (CR) data
    - IRC and GIP: CR data only from hospices providing inpatient services directly
    - Calculation of a “Compensation Cost Weight” for each level of care to arrive at new labor shares
  - Final labor shares slightly modified – include contracted Medical Director and Nursing Administration costs

Special thanks to HHFMA representatives, especially individuals from The Health Group -- particularly **Ted Cuppett, Christy Conaway, Amanda Makon, and Jason McClain** -- for their analysis of CMS proposed changes to the hospice labor shares which were essential parts of NAHC's comments to CMS on the proposed labor shares changes

## Revised/Rebased Hospice “Labor Shares”

	FINAL Labor Shares	Proposed Labor Shares	Current Labor Shares
Continuous Home Care	75.2%	74.6%	68.71%
Routine Home Care	66.0%	64.7%	68.71%
Inpatient Respite Care	61.0%	60.1%	54.13%
General Inpatient Care	63.5%	62.8%	64.01%

## Revised/Rebased Hospice “Labor Shares”

- Insights from final rule
  - CMS generally updates “labor shares” every 4 or 5 years
  - Future revisions subject to rulemaking
  - CMS will review 2020 CR data to ascertain continuing applicability
  - CMS will consider any future changes to CR for need to revise labor shares
  - CMS will consider additional Level 1 CR edits
  - CMS will review hospital-based CR data to see if it improves

## PROPOSED CY2022 PHYSICIAN PAYMENT RULE

## Physician Payment Rule

- CY2022 Proposed Physician Payment Rule/Hospice-specific issues addressed:
  - CAA 2021 authorizes both RHCs and FQHCs to receive payment for hospice attending physician services
    - Effective January 1, 2022
    - RHC/FQHC bill Medicare for hospice attending physician services based on payment arrangement
    - RHC/FQHC bills hospice for technical component (hospice paid as part of per diem)

## Physician Payment Rule

- Section 2003 of the SUPPORT Act
  - Requires electronic prescribing of controlled substances covered by Part D, effective January 1, 2021; subject to exceptions
  - During 2020, CMS delayed ENFORCEMENT until January 1, 2022, requested input on exceptions
  - CY2022 proposed physician payment rule:
    - Further delay of enforcement until January 1, 2023 (LTC January 1, 2025)
    - No explicit waiver for hospice but two waivers that could apply:
      - Prescribers of 100 or fewer Part D controlled substance prescriptions annually
      - Recognized emergencies and extraordinary circumstances

# ELECTION STATEMENT ADDENDUM & PHE WAIVERS

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15

15

## Election Statement Addendum

- FY2021 rule left unanswered questions
- FY2022 rule contains clarifications on and modifications to addendum requirements, with clarifying regulatory text changes

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16

16



## Election Statement Addendum

- Time Frame for Provision of Addendum
  - **Current:** 5 days from date of election if requested at time of election; 72 hours if requested during course of care
  - **FINALIZED:** if requested within 5 days of election, hospice has 5 days from date of request to furnish

## Election Statement Addendum

- Time Frame for Provision of Addendum
  - **Current:** If requested during the course of care, Addendum must be supplied within 72 hours of the time that it was requested
  - **FINALIZED:** If requested during the course of care, Addendum must be supplied within 3 days of request

## Election Statement Addendum

- Signature Requirement
  - **Current:** CMS expected patient/representative would receive addendum and sign on same day
  - **FINALIZED:** Add to regulation that hospices include “date furnished” in the medical record and on addendum (item 10)

## Election Statement Addendum

- Refusal of patient/representative to sign addendum
  - **Proposed clarification:** Hospice must document clearly in medical record and on addendum reason addendum is not signed, and date furnished
  - **FINALIZED:** Hospice must document clearly on the addendum reason addendum is not signed, and date furnished

## Election Statement Addendum

- Request by non-hospice care provider or MAC
  - **Proposed clarification:** When patient does not request addendum, other provider or MAC NOT required to sign addendum
  - **FINALIZED** as proposed

## Election Statement Addendum

- Death/other discharge prior to addendum being furnished
  - **Current:**
    - CMS indicated if death occurs before time frame for furnishing addendum has elapsed, addendum requirement is deemed “met” but was not codified
  - **FINALIZED:**
    - If patient dies, revokes, or is discharged within time frame for furnishing addendum and addendum has not been furnished, requirement is considered “met”
    - If addendum supplied but patient dies or is otherwise discharged within time frame for furnishing addendum, but addendum is not signed, signature is NOT required

## Election Statement Addendum

- **Further clarifications in final rule:**
  - Hospice may furnish addendum through mail (“date furnished” must be within required time frame)
  - Effective date of changes -- October 1, 2021
  - Revised model ELECTION STATEMENT ADDENDUM posted online
- Issues CMS may consider in future:
  - Late penalty
  - ABN and expansion of Addendum (potential for conflating Addendum and ABN)
  - Signature issues
  - Exceptional circumstances
  - Education of hospice providers

## HOSPICE COP WAIVERS

## Hospice CoP Waivers

- 1135 Waivers made permanent:
- **FINALIZED:** Permit use of pseudo-patient for aide training and evaluation
  - **Define “Pseudo-patient”:** a person trained to participate in a role-play situation or a computer-based mannequin device. A pseudo-patient must be capable of responding to and interacting with the hospice aide trainee, and must demonstrate the general characteristics of the primary patient population served by the hospice in key areas such as age, frailty, functional status, cognitive status and care goals.

## Hospice CoP Waivers

- Pseudo-patients (cont.)
  - **Define “Simulation”:** a training and assessment technique that mimics the reality of the homecare environment, including environmental distractions and constraints that evoke or replicate substantial aspects of the real world in a fully interactive fashion, in order to teach and assess proficiency in performing skills, and to promote decision making and critical thinking.

## Hospice CoP Waivers

- 1135 Waivers made permanent:
- **FINALIZED:** Hospice Aide Training and Evaluation – Targeting Correction of Deficiencies
  - Area of concern identified during on-site RN supervisory visit, required competency evaluation may focus on specific deficiencies rather than requiring a full competency evaluation

## HOSPICE QUALITY REPORTING PROGRAM

## HQRP Changes

- QIES to iQIES
- Modified public reporting quarters
- Increased penalty for not participating – FY2024
- Removal of seven HIS measures
  - Maintaining Comprehensive Assessment measure
- Hospice Visits in Last Days of Life (HVLDDL) clarification
- Additional measure: Hospice Care Index (HCI)
- CAHPS Hospice Survey star rating
- Future focus:
  - Claim-based measures
  - HOPE

## Modified Public Reporting Quarters - HIS

**TABLE 17: Original, Revised and Proposed Schedule for Refreshes Affected by COVID-19 PHE Exemptions**

Quarter Refresh	HIS Quarters in Original Schedule for Care Compare (number of quarters)	HIS Quarters in revised/proposed Schedule for Care Compare (number of quarters)
November 2020	Q1 2019- Q4 2019 (4)	Q1 2019- Q4 2019 (4)
February 2021	Q2 2019- Q1 2020 (4)	Q1 2019- Q4 2019 (4)
May 2021	Q3 2019-Q2 2020 (4)	Q1 2019- Q4 2019 (4)
August 2021	Q4 2019- Q3 2020 (4)	Q1 2019- Q4 2019 (4)
November 2021	Q1 2020- Q4 2020 (4)	Q1 2019- Q4 2019 (4)
February 2022	Q2 2020-Q1 2021 (4)	Q3 2020-Q1 2021 (3)

Note: The shaded cells represent data frozen (posted and held constant on Care Compare) due to COVID-

## Modified Public Reporting Quarters - CAHPS

**TABLE 18: Proposed CAHPS Hospice Survey Public Reporting Quarters During and After the Freeze**

Refresh	Publicly Reported Quarters
<i>Freeze:</i>	<i>Q1 2018-Q4 2019</i>
<i>November 2020-November 2021*</i>	
February 2022	Q4 2018 – Q4 2019, Q3 2020 – Q1 2021
May 2022	Q1 2019-Q4 2019, Q3 2020-Q2 2021
August 2022	Q2 2019-Q4 2019, Q3 2020-Q3 2021
November 2022	Q3 2019-Q4 2019, Q3 2020-Q4 2021
February 2023	Q4 2019, Q3 2020-Q1 2022
May 2023	Q3 2020-Q2 2022

\*The grey shading refers to the frozen quarters.

31

## Annual Payment Update Penalty

### Increases to 4% in FY2024

Annual Payment Update	HIS	CAHPS
<b>FY2024</b>	Submit at least 90 percent of all HIS records within 30 days of the event date (patient’s admission or discharge) for patient admissions/discharges occurring 1/1/22 – 12/31/22.	Ongoing monthly participation in the Hospice CAHPS survey 1/1/2022 – 12/31/2022

32



## Hospice Visits Last Days of Life

- HVLDL
  - proportion of patients who received visits from a RN or a medical social worker (non-telephonically) on at least two of the last three days of life
  - re-specified Hospice Visits When Death is Imminent (HVWDII)
  - claim-based
- Publicly reported no earlier than May 2022
- Hospice Visits in Last Days of Life Measure Clarified NAHC Report – April 16

## Hospice Care Index

Capture multiple aspects of hospice care with a broad, holistic set of claims-based quality measures

- Multiple indicators
- Threshold for each indicator
- Overall score is calculated on the number of instances when the hospice met a set threshold
- Publicly reported no earlier than May 2022
  - Final HCI score only
  - Individual indicator performance publicly available in Data files

## Hospice Care Index

### HCI FY2022 Hospice Proposed Rule

CHC or GIP Provided
Gaps in Nursing Visits
Visits Near Death
Early Live Discharges
Late Live Discharges
Live Discharges from Hospice Followed by Hospitalization and Subsequent Hospice Readmission (Burdensome Transitions Type I)
Live Discharges from Hospice Followed by Hospitalization with the Patient Dying in the Hospital (Burdensome Transitions Type II)
Per-beneficiary Medicare Spending
Skilled Nursing Minutes on Weekends
Nurse Care Minutes per Routine Home Care (RHC) Day

35

## CAHPS Hospice Survey Star Rating

- No sooner than FY2022
- Ratings across 8 measures
- Minimum of 75 completed surveys
- Methodology
  - "Top box" scores
  - Future posting [www.hospicecahpsurvey](http://www.hospicecahpsurvey).

36

## Future Focus

- Claims-based measures
- HOPE
- Requests for Information
  - Fast Healthcare Interoperability Resources (FHIR) in support of Digital Quality Measurement in Post-Acute Care Quality Reporting Programs
  - Closing the Health Equity Gap



## Upcoming Events

**2021 Home Care and Hospice Conference and Expo**  
October 3-5, 2021 | New Orleans, LA

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