CMS Issues Final FY 2015 Hospice Update

The Centers for Medicare & Medicaid Services (CMS) has issued a final rule that will update hospice payment rates and wage amounts for fiscal year (FY) 2015 and will continue to phase out the hospice wage index budget neutrality adjustment factor (BNAF).

The rule is available at www.ofr.gov/OFRUpload/OFRData/2014-18506_PI.pdf. This link will change when the rule is published in the Federal Register on Friday, Aug. 22.

COMMENT

A significant portion of the final rule does not involve payment or wage-related issues. Rather, there is a long discussion of the history, development and ongoing research of hospice payment reform.

The rule does include extensive history of the hospice program. In response to numerous comments, the document has easy to find and understand “Final Decision” sections explaining the changes being made.

The overall economic impact of this final rule is estimated to be $230 million in increased payments to hospices during FY 2015.

FY 2015 HOSPICE RATE UPDATE

CMS will increase hospice payment rates by a marketbasket update of 2.9 percent. However, that amount is reduced by a multiproductivity factor of 0.5 percent and an amount mandated by the Affordable Care Act of 0.3 percent for a net update of 2.1 percent.

Further, the rates will be reduced by the sixth year application of CMS’ seven-year phase-out of its wage index BNAF.

CMS will use the pre-floor, pre-reclassified hospital wage data as a basis to determine the hospice wage index values. The FY 2015 pre-floor, pre-reclassified hospital wage index does not reflect the Office of Management and Budget’s (OMB) new area delineations, based on the 2010 census, as outlined in OMB Bulletin 13-01 released Feb. 28, 2013. CMS will use the revised OMB area delineations for FY 2016.

Pre-floor, pre-reclassified hospital wage index values below 0.8 are adjusted by either:

- the hospice BNAF
- the hospice floor subject to a maximum wage index value of 0.8, whichever results in the greater value

Addendum A and Addendum B that list the FY 2015 wage index values for rural and urban areas are available at www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/Hospice/index.html.
The labor portions of the hospice payment rates are as follows — for routine home care, 68.71 percent; for continuous home care, 68.71 percent; for general inpatient care, 64.01 percent; and for respite care, 54.13 percent. The nonlabor portions of the payment rates are as follows — for routine home care, 31.29 percent; for continuous home care, 31.29 percent; for general inpatient care, 35.99 percent; and for respite care, 45.87 percent.

### FY 2015 Hospice Payment Rates

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>FY 2014 Payment Rates</th>
<th>Multiply by the FY 2015 Hospice Payment Update of 2.1 Percent</th>
<th>FY 2015 Payment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>651</td>
<td>Routine Home Care</td>
<td>$156.06</td>
<td>x 1.021</td>
<td>$159.34</td>
</tr>
<tr>
<td>652</td>
<td>Continuous Home Care Full Rate = 24 hours of care $=38.71 hourly rate</td>
<td>$910.78</td>
<td>x 1.021</td>
<td>$929.91</td>
</tr>
<tr>
<td>655</td>
<td>Inpatient Respite Care</td>
<td>$161.42</td>
<td>x 1.021</td>
<td>$164.81</td>
</tr>
<tr>
<td>656</td>
<td>General Inpatient Care</td>
<td>$694.19</td>
<td>x 1.021</td>
<td>$708.77</td>
</tr>
</tbody>
</table>

### FY 2014 Hospice Payment Rates for Hospices That DO NOT Submit the Required Quality Data

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>FY 2014 Payment Rates</th>
<th>Multiply by the FY 2015 Hospice Payment Update Percentage of 2.1 Percent Minus 2 Percentage Points ( 0.1)</th>
<th>FY 2015 Proposed Payment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>651</td>
<td>Routine Home care</td>
<td>$156.06</td>
<td>X 1.001</td>
<td>$156.22</td>
</tr>
<tr>
<td>652</td>
<td>Continuous Home Care Full Rate = 24 hours of care $=37.95 hourly rate</td>
<td>$910.78</td>
<td>X 1.001</td>
<td>$911.69</td>
</tr>
<tr>
<td>655</td>
<td>Inpatient Respite Care</td>
<td>$161.42</td>
<td>X 1.001</td>
<td>$161.58</td>
</tr>
<tr>
<td>656</td>
<td>General Inpatient Care</td>
<td>$694.19</td>
<td>X 1.001</td>
<td>$694.88</td>
</tr>
</tbody>
</table>

The unreduced BNAF for FY 2015 is 0.062084 (or 6.2084 percent). An 85 percent reduction to the BNAF is computed to be 0.009313 (or 0.9313 percent). For FY 2015, this is mathematically equivalent to taking 15 percent of the unreduced BNAF value, or multiplying 0.062084 by 0.15, which equals 0.009313 (0.9313 percent).

The BNAF of 0.9313 percent reflects an 85 percent reduction in the BNAF. The 85 percent-reduced BNAF (0.9313 percent) was applied to the pre-floor, pre-reclassified hospital wage index values of 0.8 or greater.

The hospice aggregate cap amount for the 2014 cap year will be $26,725.79.

**ADOPTION OF THE CONSUMER ASSESSMENT OF HEALTHCARE PROVIDERS AND SYSTEMS (CAHPS®) HOSPICE SURVEY FOR THE FY 2017 PAYMENT DETERMINATION**

In the FY 2014 hospice wage index and payment rate update final rule, CMS said it would start national implementation of the CAHPS® Hospice Survey as of Jan. 1, 2015.
The CAHPS® Hospice Survey includes the measures detailed below. The measures map directly to the CAHPS® Hospice Survey. The individual survey questions that comprise each measure are listed under the measure. These measures are in the process of being submitted to the National Quality Forum (NQF).

**HOSPICE EXPERIENCE OF CARE SURVEY QUALITY MEASURES AND THEIR ITEMS**

### Communication
- How often did the hospice team listen carefully to you when you talked with them about problems with your family member’s hospice care?
- While your family member was in hospice care, how often did the hospice team listen carefully to you?
- While your family member was in hospice care, how often did the hospice team explain things in a way that was easy to understand?
- While your family member was in hospice care, how often did the hospice team keep you informed about your family’s condition?
- While your family member was in hospice care, how often did the hospice team keep you informed about when they would arrive to care for your family member?

### Treating Family Member With Respect
- While your family member was in hospice care, how often did the hospice team treat your family member with dignity and respect?
- While your family member was in hospice care, how often did you feel that the hospice team really cared about your family member?

### Providing Emotional Support
- In the weeks after your family member died, how much emotional support did you get from the hospice team?
- While your family member was in hospice care, how much emotional support did you get from the hospice team?

### Getting Help for Symptoms
- How often did your family member receive the help he or she needed from the hospice team for feelings of anxiety or sadness?
- Did your family member get as much help with pain as he or she needed?
- How often did your family member get the help he or she needed for constipation?
- How often did your family member get the help he or she needed for trouble breathing?

### Information Continuity
- While your family member was in hospice care, how often did anyone from the hospice team give you confusing or contradictory information about your family member’s condition or care?

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*continued*
Understanding the Side Effects of Pain Medication

- Side effects of pain medicine include things like sleepiness. Did any member of the hospice team discuss side effects of pain medicine with you or your family member?

Getting Hospice Care Training (Home Setting of Care Only)

- Did the hospice team give you enough training about what to do if your family member became restless or agitated?
- Did the hospice team give you enough training about if and when to give more pain medicine to your family member?
- Did the hospice team give you enough training about how to help your family member if he or she had trouble breathing?
- Did the hospice team give you enough training about what side effects to watch for from pain medicine?

To comply with CMS’ quality reporting requirements, hospices will be required to collect data using the CAHPS® Hospice Survey. Hospices would be able to comply by using only CMS-approved third-party vendors that comply with the provisions of proposed §418.312(e).

Hospices must participate in and report data from the “Dry Run” for at least one month in the first quarter of calendar year 2015 (January 2015, February 2015 or March 2015). Continuous monthly data collection begins April 1, 2015, continues through December 31, 2015, and subsequent years.

EXPEDITED HOSPICE CAP OVERPAYMENT RECOVERY

CMS is finalizing its proposal to require hospices to submit aggregate cap determination five months after the end of the cap year and refund any overpayment with the filed cap determination. CMS is requiring hospices to wait at least three months after the end of the cap year to calculate the self-determined aggregate cap to include a reasonable number of claims. Finally, CMS is finalizing the proposal that hospices failing to file their self-determined cap determination will have their payments suspended.

TIME FRAMES FOR FILING THE NOTICE OF ELECTION (NOE) AND NOTICE OF TERMINATION/REVOCATION (NOTR)

CMS is finalizing a timely-filing NOE policy that requires the NOE to be submitted to, and accepted by, the Medicare contractor within five calendar days after the effective date of election, and a timely-filing NOTR policy that requires the NOTR to be submitted to, and accepted by, the Medicare contractor within five calendar days after the effective date of the discharge/revocation (unless the hospice has already filed a final claim).

CMS is finalizing provider liable days for late filing of NOEs, as proposed. CMS is also finalizing specific exceptions that, if applicable, would allow for a waiver of the provider liable days for not filing NOEs within five days after the effective date of election.

ADDITION OF THE ATTENDING PHYSICIAN TO THE HOSPICE ELECTION FORM

To ensure the attending physician of record is properly documented in the patient’s medical record, CMS is amending the regulations at §418.24(b) (1) to require the election statement to include the patient’s choice of attending physician.