

Eli's Hospice Insider

Compliance: Avoid These 6 Cap Reporting Pitfalls

Tip: Expect cap adjustment down the road.

The learning curve on the new requirement to calculate your aggregate cap and refund any resulting overpayment is likely to be steep, but you don't have room for error when a Medicare payment freeze is at stake. Follow this expert advice to sidestep potentially common cap reporting landmines:

1. Submit your cap calculation no matter what. Don't ignore this task just because you're sure you won't exceed the cap. You must submit your cap calculation regardless of overpayment status. "Hospices that fail to submit this calculation and, if applicable, repayment (or repayment plan) will be subject to suspension of all reimbursement pending completion of the report/repayment," stresses **Brian Daucher** with law firm **Sheppard Mullin** in Costa Mesa, Calif., in an educational article.

2. Don't wait too long. About 3,700 hospices will have a narrow window in which to query the PS&R system (not before February 1, 2015 for cap year 2014) and file the report and plan for overpayment (not later than March 31, 2015), Daucher warns. The PS&R system will be under "severe strain when 3,700 providers submit virtually simultaneous queries after year end," he predicts.

Normally, hospices can get their reports back within 24 hours, notes accountant **Joshua Banach** of **FR&R Healthcare Consulting Inc.** in an education article for the **Illinois Homecare & Hospice Council**.

But "the PS&R system is known to respond slowly in times of heavy use," Daucher cautions. "It has never been put through the strain that this new tight timeline will impose. For this reason, we recommend that hospices submit queries early in February to ensure that no matter how long the reporting takes it is likely to be in hand during the two month window."

3. Know your methodology dates. The streamlined and proportional calculation methodologies have slightly different dates, Banach reminds hospices. "The streamlined method's cap counting period is September 28

through September 27, while the proportional method's cap counting year is November 1 through October 31."

4. Beware PS&R system quirks. For example, you must set the Provider Summary Report to report revenue for the period 11/1/13 to 10/31/14, Daucher instructs. "If not set properly, the summary report will run calendar year numbers which will not be accurate."

5. Count sequestration dollars. Although the details are still rather hazy, it appears the **Centers for Medicare & Medicaid Services** will require hospices to include sequestered revenue in their cap calculations □ even though hospices never actually received the funds (see No. 41 Hospice Insider Vol. 8, No. 1).

6. Don't write those calculations in ink. "Hospices should expect that contractors will later restate the cap position," even after the reporting date, Daucher advises. "If a hospice has cap liability or is close as of the reporting window, then, under either method, the hospice should expect the contractor to report additional liability perhaps 12 months later."

Bottom line: "Cap allowances are dynamic," Daucher continues. "This is why contractors wait 12-18 months to make calculations; by then, the calculations are comparatively stable. But CMS knows some money could be had earlier and so has insisted upon premature reporting, thus increasing burdens upon both providers and contractors."

