

Eli's Hospice Insider

Finance: Double Down On Cost Report Accuracy

Don't forget: Your reimbursement rates depend on cost report data.

If you are looking at who is to blame for a de facto rate cut from Medicare next year, you might want to start by looking at your own cost report.

"People aren't paying attention to cost reporting because they think it doesn't matter," notes cost report expert **Dave Macke** with **VonLehman & Co.** in Fort Wright, Kentucky. "Well guess what folks, it matters."

Why? In its fiscal year 2020 proposed rule on hospice payment, the **Centers for Medicare & Medicaid Services** proposes a significant increase to payment levels for General Inpatient Care (36 percent), Inpatient Respite Care (156 percent), and Continuous Home Care (41 percent) and a modest decrease to payment rates for Routine Home Care levels (0.03 percent for RHC days 1-60). CMS bases the GIP, IRC, and CHC changes entirely on cost report data submitted by hospices (see Eli's Hospice Insider, Vol. 12, No. 6).

Reminder: CMS issued new hospice cost reporting rules and forms in the mid 2010s and required new Level 1 edits for cost report years ending in 2017 and later.

But "we have ongoing concerns about the accuracy of the data that CMS is using to arrive at these changes," says **Theresa Forster** with the **National Association for Home Care & Hospice**. "There are significant costs that are not represented in the cost report data that was used," Forster maintains.

Specifically: "Inpatient respite care and general inpatient care are influenced by initial errors made by many hospices in reporting contracted costs, overallocation of costs to these levels of care, and misclassification of room and board payments in cost reporting submissions," says consulting firm **The Health Group** in Morgantown, West Virginia.

Relying on hospice cost report data, when there are no individual settlements or other incentives to compel accuracy, is "questionable," judges attorney **Brian Daucher** with **Sheppard Mullin**.

This rule proves that providers need to complete the cost report as accurately as possible since their future rates depend on that data, Macke urges.