

Eli's Hospice Insider

Finance: HHA-Based Hospices Should Prepare For Revamped Cost Reports

Make your accounting changes immediately.

If you've been paying attention to cost report changes for hospices in other settings, the home health agency-based hospice cost report revisions shouldn't be a surprise. But they will still require a good deal more work for agency-based hospice providers.

In the Sept. 4 Federal Register, the **Centers for Medicare & Medicaid Services** posted a notice requesting comments on its proposed changes to the HHA cost report. The changes address hospice costs.

"Consistent with previous cost report revisions for hospices, skilled nursing facilities, and hospitals, CMS has proposed revisions to the Home Health Agency Cost Report" that "require reporting hospice expenses by level of care, significantly expand cost centers to be reported, and introduce new statistics for the allocation of general service cost centers," observes **The Health Group** financial consultants in Morgantown, W. Va.

Beware: "Home health agencies that report hospice activities on their cost report will need to make significant changes to their accounting records and begin to accumulate new statistics immediately to ensure that the 2016 cost report can be accurately prepared," The Health Group warns. The revisions will be effective for cost reporting years beginning on or after Oct. 1, 2015.

"All provider-based hospices should be in the process of expanding their Chart of Accounts to ensure collection of data in the appropriate detail so that they can meet the cost reporting requirements," urges the **National Association for Home Care & Hospice**.

Cost Reports Matter

Hospices' cost report data may not have a direct reimbursement impact, but it's not going into a void either. "Data from the expanded cost report will be used to assess adequacy of hospice payments and for potential future payment changes," NAHC highlights.

CMS will take comments on the changes until Nov. 3. See the forms and instructions on the Paperwork Reduction Act site. Go to www.cms.gov/Regulations-and-Guidance/Legislation/PaperworkReductionActof1995/PRA-Listing.html and search for "CMS-1728-94."

Once CMS has reviewed comments and made modifications, it must release the forms and instructions again for a 30-day comment period before finalizing them, NAHC explains.