

## Eli's Hospice Insider

### Finance: Hospice Providers Will Be Happy To Say Good-Bye To BNAF Cuts

**Plus: Prepare for CBSA transition.**

Seven years of Budget Neutrality Adjustment Factor reductions to Medicare hospice payments rates will come to an end next year.

The seven-year phase-out of the BNAF began with a 10 percent reduction in FY 2010 and an additional 15 percent reduction each following year, the **Centers for Medicare & Medicaid Services** says in the 2016 final rule. The final 15 percent reduction for complete elimination will take place FY 2016, CMS confirms in the rule published in the Aug. 6 Federal Register.

The combined effects of updated wage data and the phase-out of the BNAF result in an estimated decrease in FY 2016 payments of 0.7 percent or negative \$120 million, CMS notes in the rule.

**However:** Other wage index changes offset that reduction somewhat. CMS is switching hospices over to new Core Based Statistical Area designations. This year will see a 50/50 blend between old and new CBSAs. The change results in an estimated increase in FY 2016 payments of 0.2 percent or \$30 million, CMS notes.

**Impact:** "Among the 458 total CBSA and statewide rural areas, 20 (4 percent) will have a higher wage index using the newer delineations," CMS says. "However, 34 (7.4 percent) will have a lower wage index using the newer delineations."

**Don't miss:** "For counties located in CBSAs and rural areas that correspond to more than one transition wage index value, the CBSA number will not be able to be used for FY 2016 claims," CMS explains. "In these cases, a number other than the CBSA number will be necessary to identify the appropriate wage index value on claims for hospice care provided in FY 2016. These numbers are five digits in length and begin with '50.'"

"For counties located in CBSAs and rural areas that still correspond to only one wage index value, the CBSA number will still be used," CMS instructs.

Note: A link to the wage index file is at

[www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/Hospice/Hospice-Regulations-and-Notices-Items/CMS-1629-F.html](http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/Hospice/Hospice-Regulations-and-Notices-Items/CMS-1629-F.html).