

Eli's Hospice Insider

Finance: With Cap Reports Submitted, Keep Wary Eye On The Future

MAC changes cap review schedule.

If you reported a cap overage in your cap report due March 2, you're far from alone.

More hospices than ever reported cap overages this year, expects consulting firm **The Health Group** in Morgantown, West Virginia. Based on cap reports and liability assessments the firm has prepared, The Health Group predicts "that a greater number of hospices will exceed the cap for the 2019 cap year than exceeded the cap in the 2018 cap year," the company says.

Pointer: And don't forget that your cap liability for past years may still change. "Many hospices ... remain confused regarding how long the Medicare Administrative Contractor can recalculate prior-year cap liabilities," The Health Group points out in its electronic newsletter.

There's a three-year limit on how long MACs can reopen cap calculations. "Reopening is allowed for up to 3 years from the date of the cap determination notice, except in the case of fraud, where reopening is unlimited," the **Centers for Medicare & Medicaid Services** notes in a 2012 MLN Matters article.

Clock restarts: However, the MAC may issue "a revised cap determination letter ... as a result of a reopening," CMS points out. Then that revised cap determination "may itself be reopened, subject to the 3-year limitation on reopening."

In other words, "If a revision is made to the determination of a cap liability, that revision is considered a separate and distinct determination or decision which starts a new three-year look-back period," The Health Group explains.

Do this: "Hospices should be tracking the date of any cap notice for purposes of determining when any cap year is closed and not available for further recalculation," The Health Group advises.

Meanwhile, hospices should keep a sharp eye on what lawmakers do with the cap, following the recommendation the **Medicare Payment Advisory Commission** is planning to make to reduce the hospice cap amount by 20 percent.

"There will be hospice closures and bankruptcies as a result of a 20 percent reduction to the cap," The Health Group insists. "Closures caused by cap overpayments will only increase the uncollected cap excess by the Medicare program (effectively reducing the savings to the Medicare program from those anticipated) and potentially impact access to care in certain parts of the country," the firm warns.

Bottom line: "The use of the cap to arbitrarily reduce Medicare expenditures and penalize hospices, beyond the original intent of the cap, is inappropriate," The Health Group concludes. "The claims review process is the appropriate place to review whether the patient qualifies for the hospice benefit."

MAC Pushes Forward Final Cap Review

Meanwhile, one HHH Medicare Administrative Contractor has pushed forward another cap-related deadline for a segment of hospice providers. MAC **National Government Services** is "changing the timing of the final hospice cap reviews," it says in a Feb. 10 post to its website. "The final hospice cap review will now take place at the time of the hospice cap self-reporting review." In other words, "the final hospice cap review will take place during the first quarter of the calendar year versus during the fourth quarter of the calendar year."

NGS is "also merging our hospice cap self-reporting confirmation letter with the final hospice cap letter," the MAC explains. "These changes will make it easier for hospice providers to understand the cap information, as they will receive fewer letters and fewer demand requests. This will also result in a reduction in the number of extended repayment requests."

Hospices are notified of any outstanding cap liability - including any liability related to the 2 percent sequester - at the final hospice cap review, the **National Association for Home Care & Hospice** points out.

What it means: "If your self-report indicated a liability, that liability will be increased immediately upon review by NGS" for sequestration, explains The Health Group in its electronic newsletter. "Additionally, it is possible that your self-report may not reflect a liability; however, with the revision to appropriately handle sequestration, the hospice may have a liability."

Watch for: "We have hospice clients who have already received the results of the initial review for the 2019 cap year, which differ from the self-report filed," The Health Group reports.

Note: The MLN Matters article is at

www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7838.pdf.