

Eli's Hospice Insider

Hospice News: Look Over Your Cap Statements Carefully For Sequester Impact

Demand letter doesn't spell out details.

Now that Medicare Administrative Contractors are sending out hospice cap demands with sequestration funds included, you need to start paying attention.

Background: After much confusion, the **Centers for Medicare & Medicaid Services** finally indicated that it will include sequester funds in hospices' per patient caps, even though they never received the sequester payments (see Eli's Hospice Insider, Vol. 8, No. 1). MACs have begun sending out the cap notices with the sequestration amounts included.

Warning: "The demand letters themselves do not call out the sequestration adjustment," says law firm **Sheppard Mullin** on its blog. "To see the increase in revenue, and thus increase in demand, hospices need to review the cap calculation table," advise Sheppard Mullin attorneys **Brian Daucher** and **Doug Luther**.

The calculation table shows the sequestration amount, and then a portion of it credited back. The example CMS gave in announcing the methodology showed a credit back of about 80 percent of sequestration funds, but most hospices' statements are showing credits from only 15 to 30 percent of sequestration funds, Sheppard Mullin contends.

More information on reading your statement and the firm's class action lawsuit is online at www.hospicelaw.com.