# Eli's Hospice Insider

## Know Your Facts: Feds Used These Stats To Decide On Your Cap Requirements

**More than one in 10 hospices exceeds its per patient cap.**

Wondering why the **Centers for Medicare & Medicaid Services** is making a big deal out of aggregate cap overpayments when they apply to a minority of hospices? Consider these facts that the agency used to decide on the 2015 final rule provisions:

- A 2012 **Medicare Payment Advisory Commission** report said above-cap hospices were almost all for-profit with very long lengths of stay, high live discharge rates, and very high profit margins before the return of cap overpayments.
- The percentage of hospices exceeding the aggregate cap rose from 2.6 percent in 2002 to 9.1 percent in 2006 to a peak of 12.5 percent in 2009, according to MedPAC and CMS's hospice payment reform contractor. In 2010, that percentage decreased to 10.1 percent, but analysis shows an increase in 2012 to 11.6 percent.
- At above-cap hospices, the average overpayment per beneficiary increased 35.2 percent from 2006 ($7,384) to 2012 ($9,983).
- However, the average overpayment amount decreased from $732,103 in 2006 to $440,727 in 2011. CMS predicts that downward trend will change in 2012, when the average overpayment amount is estimated to increase to $547,011.
- More hospices ended the 2012 cap year "just below" their aggregate cap than in 2006.
- When the Medicare hospice benefit began in 1983, the aggregate cap amount was $6,500. For fiscal year 2015, it will be $26,725.79.
- Unlike hospices' cost report years, which vary, every hospice's cap year runs from Nov. 1 to Oct. 31.

Source: FY 2015 Hospice Wage Index and Payment Rate Update final rule, available via a link at www.cms.gov/Center/Provider-Type/Hospice-Center.html.