

Eli's Hospice Insider

Regulations: Payment Reform Deadline Looms Next Year

Quality reporting, surveys, and more discussed by CMS reps at industry meeting.

Congress has asked for Medicare hospice payment reform by October 2013 or later, but the timeline may lean toward "later," recent comments from CMS officials indicate.

The **Centers for Medicare & Medicaid Services** has contracted with **Abt Associates** and **Acumen** to perform parts of the research and analysis that will go into formulating a new hospice payment system, noted CMS's **Zinnia Harrison** in a CMS panel on hospice during the **National Association for Home Care & Hospice's** annual March on Washington conference.

Congress said the reform should occur October 2013 or later, so the October date "is not a solid deadline," Harrison told attendees at the March 26 session in Washington, D.C.

CMS is not committed to reform taking effect in fiscal year 2014 which starts in October, added CMS's **Randy Thronset** in the session. It "may or may not."

A number of factors make reforming the hospice payment system a challenge, the CMS reps noted in the meeting. A relative lack of claims and cost report data is one. "Right now we don't have a lot of years to look at," Thronset pointed out.

One of Abt's tasks is determining what further data is needed for the reform project, Harrison added. Another challenge is that "hospice is a very unique program," Harrison said. "It's not a medical model."

Revamping hospice payment is a "delicate balance," Thronset agreed. CMS and its contractors are looking at eliminating incentives for undesirable behavior and matching up costs and utilization. The agency will examine trends such as the growth of non-profits and will seek ways to save the program money while encouraging quality care.

The **Medicare Payment Advisory Commission** has recommended Medicare pay more at the beginning and end of episodes and less in the middle. But CMS hasn't yet formulated a payment reform model, Harrison revealed.

"It's rather a blank sheet of paper," Thronset said. "Everything's up for grabs."

Whether the industry will see a pilot of the new project before it takes effect will depend upon funding, Harrison pointed out. And whether hospices transition to the new system all at once or on a phased-in schedule likely will be influenced by how different the new payment system is from the current one.

Watch for: CMS will issue a proposed rule with comment period when it unveils the new payment system, Harrison confirmed.

Other topics addressed in the CMS hospice panel include:

- **Quality data reporting.** In CMS's recent voluntary reporting period for hospice quality data, 924 hospices submitted 6,712 QAPI indicators, CMS's **Mary Pratt** said in the session. The data reporting period of the fourth quarter of 2011 closed Jan. 31. CMS "was quite pleased and encouraged" by that volume of voluntary data submission, Pratt told attendees. CMS is now analyzing the "treasure trove of information" submitted during the process, she said.

Reminder: In addition to the structural QAPI measure collected during the voluntary period, the upcoming mandatory

collection will include the quality measure on pain known as NQF #209 or comfortable dying. The required data collection will be for the fourth quarter of 2012. Submission of the structural measure data will be due by Jan. 31, 2013 and submission of the pain measure data will be due by April 1, 2013. If hospices fail to submit the required data, their payment rates will be reduced by 2 percent starting in FY 2014.

CMS held a training webinar on the quality reporting program April 11 and will hold another one April 18. Information on registering is at <http://cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Hospice-Quality-Reporting/Spotlight.html>.

CMS isn't going to stop at requiring two measures for hospice quality reporting. For an idea of what new measures CMS will consider in the future, look at the National Quality Forum's recent list of endorsed measures, Pratt suggested (see related story, p. 33, for measures). "We are looking at using these potentially for future reporting years," she said. However, not all of the measures will apply to hospices. Some are appropriate for other settings such as hospitals or other pre-hospice locations.

- **Surveys.** Hospices may not have a survey frequency requirement under Medicare rules, but they still continue to rack up deficiencies, noted CMS's **Kim Roche** in the panel. Many hospices are undergoing surveys under the new survey protocols for the first time, pointed out NAHC's **Theresa Forster**.

Roche urged hospice management to go on home visits with employees to observe what's actually going on and ask questions. "See what kind of answers you get from staff" to gauge what your survey performance will be like, she recommended.

"Please make sure that your staff ... are aware of the regulations," she asked. Every hospice should have a copy of Medicare's State Operations Manual Appendix M, which spells out hospice guidance to surveyors, she added. You can download that manual section at www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/som107ap_m_hospice.pdf.

To learn more about what surveyors will be looking for when they visit you, you can watch CMS's surveyor training videos at <http://surveyortraining.cms.hhs.gov> -- CMS has posted four hospice broadcasts, including two on QAPI, Roche said.

- **Hospice caps.** CMS has revamped its aggregate hospice cap calculation methodology after extensive litigation on the issue. Watch for manual instructions about the new process to come from the agency "reasonably soon," CMS's **Katie Lucas** said in the panel.
- **Cost reports.** CMS recently has made changes to the hospice cost report, and more are on the way. You can see the cost report revisions that took effect last July at www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R8P238.pdf.

CMS is working on "much more comprehensive" cost report changes, Lucas said.

- **MSN changes.** You should be getting fewer complaints from your patients and their families, thanks to changes to the Medicare Summary Notice that will take effect in July. With the current MSN, beneficiaries tend to get confused and upset by the listed charges, Lucas explained. The revised MSN "will be easier to read," she maintained. "It will be a lot less confusing."

Resource: Look at the transmittal describing the MSN changes at www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1032OTN.pdf.

- **Discharge codes.** Don't forget about the new hospice discharge code requirements that take effect July 2, Lucas said. More information on the new and revised coding is at www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R2410CP.pdf.