

Eli's Hospice Insider

Reimbursement: Above-Cap Hospices Fare Worst Under New System

Whether your Medicare reimbursement goes up or down under the new rule depends on your patient mix.

Who stands to benefit under the new system?

The payment model changes are supposed to be budget neutral, so they don't affect the payment increase of 1.1 percent (\$160 million) for 2016 that the **Centers for Medicare & Medicaid Services** estimates. CMS arrives at that figure using the 1.6 percent FY 2016 hospice payment update percentage (\$250 million increase), the updated wage index data and the phase-out of the wage index budget neutrality adjustment factor (-0.7 percent/\$120 million decrease) and the implementation of the new Office of Management and Budget Core Based Statistical Areas (CBSA) designations for the FY 2016 hospice wage index with a one-year transition (0.2 percent/\$30 million increase), CMS explains in its fact sheet for the rule.

Of course, whether your overall payments increase or decrease will depend on factors such as your patients' length of stay and the services you furnish in the last seven days of life, experts point out. CMS ran analysis on 2013 data to determine financial impact, it notes in the rule.

Winners: "For those hospice providers who did not exceed their aggregate cap in 2013, we estimated that the proposed RHC rates would result in a 0.14 percent increase in payments," CMS says.

Losers: "However, for those hospice providers that exceeded their aggregate cap, hospice payments were estimated to decrease by 5.40 percent," the agency adds.