

Eli's Hospice Insider

Reimbursement: Get Ready For A 1.8% Rate Increase Starting Oct. 1

Medicare expects rural New England hospices to see a 3.4 percent positive impact.

If you made budget plans based on Medicare's proposed rule for 2019 hospice payment, they should be right on target.

In the 2019 final rule released Aug. 1, the **Centers for Medicare & Medicaid Services** sticks with its proposal to increase hospice payment rates by 1.8 percent starting Oct. 1. That should translate to a \$340 million bump for hospice spending in the coming fiscal year, according to the rule published in the Aug. 6 Federal Register. (See rates by service level in chart, p. 66.)

Cap: The statutory aggregate cap amount for fiscal year 2019 will be \$29,205.44, CMS notes in a fact sheet about the rule. That's 1.8 percent higher than the 2018 cap amount of \$28,689.04. And remember, the cap is not adjusted based on the location of the hospice or the patients served, reminds consulting firm **The Health Group** in Morgantown, West Virginia.

Some years, there are significant differences between the proposed and final payment rate increases or decreases, noted the **National Hospice & Palliative Care Organization** in analysis of the proposed rule. Factors such as the hospital market basket and the productivity adjustment can vary with updated data (see Eli's Hospice Insider, Vol. 11, No. 6).

But this year, the figures held steady and CMS has finalized the 1.8 percent increase. The FY 2019 update factor is based on the inpatient hospital market basket update of 2.9 percent reduced by a multifactor productivity adjustment mandated by the PPACA of 0.8 percent and further reduced by 0.3 percent, also mandated by law, the rule specifies.

Don't forget: The Service Intensity Add-on adjustment rate is the same as the Continuous Home Care hourly rate, the **National Association for Home Care & Hospice** points out - \$41.56 per hour.

Of course, payments will be different for providers based on variables including patient mix, location, and provider type. CMS estimates that hospices in the Rural New England Region (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont) will see the biggest increase, with a 3.4 percent boost. The next biggest increase is tied between the Urban West South Central (Arkansas, Louisiana, Oklahoma, and Texas) and Urban Outlying (Guam, Puerto Rico, and Virgin Islands) regions at 2.2 percent.

No hospices will see estimated reductions this coming year, but the area with the smallest rate of increase is projected to be the Rural Mountain region (Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming) at 1.4 percent. The Urban Mountain and Rural Outlying regions are next with a forecast of 1.5 percent.

Stat fact: The region with the highest number of hospice providers is Urban Pacific (Alaska, California, Hawaii, Oregon, and Washington) with 845. The smallest is Rural Outlying with only six providers, CMS says in its impact table in the rule.

Note: The final rule is at www.gpo.gov/fdsys/pkg/FR-2018-08-06/pdf/2018-16539.pdf.

