

Eli's Hospice Insider

Reimbursement: Higher Hospice Payment Rates Now in Pocket

But cuts are still planned.

April brought -- well, not showers of extra money for hospices -- but at least some payment relief via President Obama's economic stimulus package.

The Centers for Medicare & Medicaid Services and its contractors had made the necessary payment system updates so that hospices could on April 3 begin receiving payments without the budget neutrality adjustment factor (BNAF) cuts to the wage index, the agency's **Lori Anderson** said at the National Association for Home Care & Hospice's March on Washington meeting March 23.

CMS has restored the hospice wage index to the level it would have been without the BNAF cut, CMS notes in March 13 Transmittal No. 1701 (CR 6418). The BNAF reduction lowered hospice payment rates by a little more than 1 percent.

Cuts still planned: But hospices should remember that the delay to the 2009 portion of the BNAF reduction doesn't affect the cut overall, Anderson cautioned. Originally, CMS planned to phase out the BNAF by 25 percent in 2009, 50 percent in 2010, and another 25 percent in 2011 to eliminate it altogether. Now, CMS plans to lump the first two years' cuts together to phase out 75 percent of the BNAF in 2010 and the remaining 25 percent in 2011.

"Those policies still stand," Anderson stressed. The stimulus bill addressed only the timeline.

Adjustments ahead: Because the delay is retroactive to Oct. 1, intermediaries in April will begin reprocessing claims paid at the lower rate too, Anderson noted. They will have about six months to reprocess the claims. Hospices will notice remittance advice adjustments with the reprocessing information, she added.

Note: The CMS transmittal is at www.cms.hhs.gov/transmittals/downloads/R1701CP.pdf. An MLN Matters article on the topic is at www.cms.hhs.gov/MLNMattersArticles/downloads/MM6418.pdf.