

Eli's Hospice Insider

Reimbursement: Master Your Hospice Cap Exposure Before It Masters You

Tip: Maintain your own database to manage your cap status.

If you were having trouble anticipating your risk of exceeding the hospice cap under the old methodology, you'll have even more difficulty managing your cap exposure under the new one. But although the new method is much more complicated to track, it's not impossible.

Recently, more hospices are running into problems regarding the cap, says **Rick Ingber** of **VantaHealth Consulting**. And perhaps the best solution is to take a proactive approach.

Background: The **Centers for Medicare & Medicaid Services** has slowly transitioned the method in which your hospice cap is calculated, changing over from the old "streamlined" methodology to the new "proportional" method (see Eli's Hospice Insider, Vol. 4, No. 12). "Objective analysis suggests that virtually all hospices can benefit from the proportional cap calculation because, over time, they will be able to serve more patients with less risk of incurring cap demands," notes **Solstice Healthcare**.

Despite the general consensus among industry leaders that the new cap method is a boon for hospices □ with fewer legal challenges than the old methodology □ you may run into problems calculating your cap vulnerabilities under the proportional method.

Tracking Your Cap Isn't Any Easier

Bad news: Unfortunately, CMS does not provide an easy way for you to track your cap status during the cap year under the new proportional method. At the end of the cap year, you'll receive an official "cap letter" detailing in a report your Medicare hospice beneficiaries and how much you went over or under the cap, Ingber explains. This cap letter doesn't assist you in anticipating your cap status, because it's an after-the-fact report, meaning the damage is already done.

CMS does provide another report □ which you can obtain the same way as the Provider Statistical & Reimbursement (PS&R) report □ that includes a running total of beneficiaries, but it contains no details to back up that total, Ingber says. Ultimately, this running total is not very helpful in managing your cap.

Track Your Cap & Do The Math (The Proportional Way)

Strategy: Without a helping hand from CMS, you'll need to somehow track your cap exposure yourself. Ingber suggests that you maintain your own database or spreadsheet to track all your Medicare hospice beneficiaries.

In your spreadsheet, you would need to include for each beneficiary:

- The number of days your hospice is billing Medicare for this cap year (a running total); and
- The total number of days of hospice care that the patient received (for this cap year and previous cap

years).