

Eli's Hospice Insider

Reimbursement: Medicare Payment Rates To Inch Up In 2017, According To Proposed Rule

Cap year switch to take place in 2017.

A modest 2 percent pay increase could be coming your way, if MedPAC and other policymakers don't get in its way.

In its proposed rule for the fiscal year that begins Oct. 1, the **Centers for Medicare & Medicaid Services** proposes the modest increase to Medicare payment rates for hospices (see individual service rates in chart, p. 42). That would boost hospice spending by \$330 million, CMS notes in the rule released April 21.

Breakdown: The inflation update (based on the inpatient hospital market basket update) is 2.8 percent, but CMS strips 0.8 percent off that figure due to a 0.5 percentage point productivity adjustment and a 0.3 percentage point adjustment set by the Affordable Care Act, CMS notes in a fact sheet about the rule.

Medicare spent \$15.5 billion on hospice services in 2015, CMS estimates. And CMS's Office of the Actuary projects "that hospice expenditures are expected to continue to increase, by approximately 7 percent annually, reflecting an increase in the number of Medicare beneficiaries, more beneficiary awareness of the Medicare Hospice Benefit for end-of-life care, and a growing preference for care provided in home and community-based settings," the agency says in the rule published in the April 28 Federal Register.

Don't forget: The 2017 rates don't include the 2 percent sequester, points out the **National Association for Home Care & Hospice**.

Another 2 percent is at risk if you fail to submit quality data ☐ both for the Hospice Item Set and CAHPS, CMS points out. The HIS benchmark is 80 percent for 2017, although noncompliance won't dock your payment rates until the 2019 fiscal year. The HIS requirement is 70 percent for FY 2016 (affecting your 2018 rates), and 90 percent for 2018 (affecting 2020 rates).

Write It In Pencil, Not Ink

The inflation and productivity adjustment amounts often fluctuate from the time of the proposed to final rule, NAHC reminds its members.

Thus, "the final hospice payment update percentage, which will be published in late July or early August, could be somewhat different from the current estimated net update of 2.0 percent," the trade group cautions. The same goes for wage index figures.



SIA: Remember, the Service Intensity Add-on payment rate is equal to the Continuous Home Care hourly rate, which CMS proposes at \$40.16 for FY 2017. Hospices can claim SIA payments for direct patient care provided by a registered nurse (RN) or social worker that occurs during the last seven days of life. It's billable in 15-minute increments up to four hours total per day.

Cap: "The hospice cap amount for the 2017 cap year will be \$28,377.17, which is equal to the 2016 cap ... updated by the FY 2017 hospice payment update percentage of 2.0 percent," CMS says.

"Remember, 2017 is the year that the cap period is modified to end on September 30th (currently October 31st)," points out consulting firm **The Health Group** in Morgantown, W. Va., in its member newsletter. CMS changes the cap year to align with the federal fiscal year in last year's payment rule, the agency notes in this year's rule.

CMS Is Keeping An Eye On Your Stats

This year's hospice payment rule contains almost no reimbursement changes, instead having a "primary focus on quality reporting and no other regulatory changes," points out **Judi Lund Person** with the **National Hospice & Palliative Care Organization** (see related story, on cover).

Containing only payment updates isn't a surprise, since the 2016 rule contained big payment and reimbursement policy changes, NAHC notes.

In fact, CMS is still analyzing how the payment reform changes implemented in last year's rule are working out. "As part of payment reform and ongoing program integrity efforts, we will continue ongoing monitoring of utilization trends for any future refinements," the agency says in the rule.

This year's break from pay and policy changes "enable[s] providers to make sure they are in compliance now, and [to] focus on preparing for more quality reporting," Lund Person tells **Eli**.

Note: See the proposed rule at www.gpo.gov/fdsys/pkg/FR-2016-04-28/pdf/2016-09631.pdf. Comments are due by June 20 and can be submitted via www.regulations.gov.