

Eli's Hospice Insider

Reimbursement: Missing, Late, Invalid Addendums Will Carry Hefty Price

While the details are fuzzy, the consequences of addendum mess-up appear severe.

Hospices are bracing for a potentially brutal financial consequence if they drop the ball on addendums starting Oct. 1.

In the 2021 hospice payment final rule, the Centers for Medicare & Medicaid Services cites this from a commenter addressing the requirement's status as a condition for payment: "Concerns about any errors to the addendum or an unreturned addendum could give rise to nonpayment of hospice services for what CMS implies could be the patient's entire election period" (emphasis added).

CMS addresses the topic of being a condition for payment at length, concluding that the payment component is essential. "Making the hospice election statement addendum a condition for payment is necessary to ensure that hospices are diligent in providing this information to Medicare hospice beneficiaries on request," CMS says in the rule published in the Aug. 4 Federal Register. "We regard this addendum as a means of accountability for hospices to provide coverage information to beneficiaries electing the hospice benefit."

But CMS doesn't address the specific penalty in the rule, and at press time, hadn't revealed it anywhere else yet, either. "CMS has not issued clear standards for assessing the Medicare payment impact of the addendum," says attorney **Andrew Brenton** with Husch Blackwell in Madison, Wisconsin. "Because of the lack of such guidance, we are mostly left with unanswered questions regarding how Medicare payment will be impacted by noncompliance with the new addendum requirements."



One scenario: "It is likely that if not done within time frame at admission, it would nullify the admission and [for] that claim period, days would be affected if the addendum is not provided within the 5 days after admission if requested," speculates **Lynn Stange** with Weatherbee Resources in Headland, Alabama.

For example: "It may be similar to the face-to-face requirements, where the days that the addendum is not provided after day 5 would be non-billable," Stange expects. "So, if the request is made for the addendum on Sept. 2 and the hospice has 5 days and they do not meet the deadline, every day they delay may be unbillable."

But that is just one way it could work, Stange emphasizes. "We do not yet have clarification here, so I am just guessing," she says.

Adding to the frustration is that the answer might come later than you'd think. "It's likely we will have to wait to see how contractors assess the new requirements in future medical record review," Brenton predicts.

To stave off potential payment problems, some hospices are considering issuing an election addendum for every single patient, Stange shares. Some "hospices are debating just offering the addendum automatically at admission versus waiting for patients to request it, in order to not worry about meeting the time frame for providing it upon request," she says.