

## Eli's Hospice Insider

### Reimbursement: Proposed 5% Cap On Wage Index Decreases To Have Limited Impact In 2023

#### Next year will bring the usual crop of wage index winners and losers.

While a limit to how much your wage index figure can go down is a welcome idea, the related proposal in the 2023 proposed rule for hospice may not be the relief providers are hoping for.

**Recap:** In the proposed rule published in the April 4 Federal Register, the Centers for Medicare & Medicaid proposes "for FY 2023 and subsequent years ... to apply a permanent 5-percent cap on any decrease to a geographic area's wage index from its wage index in the prior year, regardless of the circumstances causing the decline" (see Hospice Insider, Vol. 15, No. 5).

According to analysis by CPA **Dave Macke** of VonLehman & Co. of the proposed hospice wage index that accompanies the rule, no rural areas would hit the negative 5 percent threshold for the cap. However, two CBSA areas would by just a smidge.

Yauco, Puerto Rico (CBSA code 49500) is projected to decrease 5.01 percent to 0.3777, and Mayaguez, Puerto Rico (CBSA code 32420) is projected to decrease 5.01 percent to 0.4004. Those would be capped at 5 percent even instead.



**However:** Many hospices and their representatives continue to lobby for a cap on even smaller decreases down to 3 percent. That request is expected to feature in a number of comment letters submitted on the proposed rule.

If CMS would adopt a cap on wage index decreases of 3 percent or more, that would affect the rural index for five states - Washington (projected 3.71 percent decrease in 2023), Utah (-4.12 percent), Wisconsin (-4.15 percent), North Dakota (-5.00 percent), and Montana (-5.00 percent), according to the analysis Macke has shared with AAPC.

Further, lowering the cap threshold to 3 percent would reduce decreases for 38 urban CBSAs, including 12 areas with decreases right at 5.00 percent ranging from California to Virginia.

**Stay tuned:** Hospices and their reps will have to wait for the final rule, expected in June, to see whether CMS listens to their requests for a lower cap on wage index decreases. And home health agencies will likely be interested too, as they may have a similar provision in their proposed rule expected out in early July.

Meanwhile, CMS' wage index proposal would have no effect on positive increases to wage index values. For 2023, CMS proposes to increase the rural wage index for three states/territories more than 3 percent - Nevada (CBSA code 99929) 3.68 percent, Arizona (99903) 4.21 percent, and the Virgin Islands (99948) a whopping 9.00 percent.

For urban CBSAs, CMS proposes to increase the index for 12 areas by 5 percent or more, and for 25 areas by between 3 and 5 percent. The biggest increases are in Elizabethtown-Fort Knox, KY (12.03 percent jump to 0.8962), Yuba City, CA (9.97 percent increase to 1.4400), and Brunswick, GA (9.83 percent bump to 0.8786).

Note: A link to the proposed wage index is at [www.cms.gov/medicare/medicare-fee-service-payment/hospice/hospice-regulations-and-notices/cms-1773-p](http://www.cms.gov/medicare/medicare-fee-service-payment/hospice/hospice-regulations-and-notices/cms-1773-p).

