

Eli's Hospice Insider

Reimbursement: Proposed Rule Includes 2.6% Increase For 2021

Good news: SIA budget neutrality factor may be on the way out.

At a mere 19 pages, the newest hospice payment update is the slimmest annual regulation in recent memory for the industry. But it could still streamline some regulatory burden in the face of COVID-19.

The proposed payment rule released April 10 "isn't anything earth-shattering," says **Judi Lund Person** with the **National Hospice & Palliative Care Organization**. "Especially in these times, that's very helpful and important to providers," Lund Person tells **Eli**.

The rule contains a number of provisions that are positive for hospices, including a 2.6 percent payment rate boost for all care levels that should increase Medicare hospice spending by \$580 million next year, the **Centers for Medicare & Medicaid Services** says in a fact sheet about the rule. CMS also proposes to increase the cap amount for the 2021 cap year by the same amount to \$30,743.86, according to the rule published in the April 15 Federal Register.

More plusses are a repeal of the service intensity add-on budget neutrality factor (SBNF) and no quality reporting changes. "The SBNF is used to reduce the overall [Routine Home Care] rate in order to ensure that SIA payment are budget-neutral," CMS explains in the rule. "For FY 2016 through FY 2020, there have been very minor SBNF adjustments suggesting that the utilization of the SIA from one year to the next remains relatively constant. Because the SBNF remains stable, we are proposing to remove the factor to simplify the RHC payment rate updates."

Another plus: The rule also proposes to adopt the most recent **Office of Management and Budget** (OMB) statistical area delineations and apply a 5 percent cap on any resulting wage index decreases. Capping the wage index swing for the transition is good news, particularly since CMS historically has been resistant to such caps when wage index values change significantly for an area from year to year, Lund Person notes.

The rule's relative brevity is not a coincidence. "CMS recognizes that the entire healthcare system is focused on responding to the COVID-19 public health emergency," the rule says. "As a result, the proposed rule includes proposals required by statute and that affect Medicare payment to hospices, as well as proposals that reduce provider burden and may help providers in the COVID-19 response."

However, the rule does move forward with a provision that might better be shelved until the COVID-19 situation subsides, industry representatives note. CMS confirms the August 2020 start date for fairly benign changes to the election statement and a burdensome new election statement addendum requirement for patients who request it (see related story, front page).

Do this: Hospices may want to mention readiness for the requirement in their comments on the rule, Lund Person points out. Comments are due by June 9.

On the bright side, CMS has provided the industry with new models for the election statement and addendum, Lund Person adds.

And if hospices don't like the models, they "are free to develop and design their own modified election statement and ... addendum," the **National Association for Home Care & Hospice** notes in its member newsletter.

Note: The rule is at www.govinfo.gov/content/pkg/FR-2020-04-15/pdf/2020-07959.pdf.

