

Issue Brief

FEDERAL ISSUE BRIEF • August 2, 2017

KEY POINTS

- CMS estimates that hospices will generally see a 1 percent, or \$180 million, increase in their payments for 2018.

CMS Finalizes FY 2018 Hospice Wage Index, Payment Rate and Quality Reporting Requirements

The Centers for Medicare & Medicaid Services has issued a final rule that would update hospice payment rates, wage index values and quality reporting items for fiscal year 2018.

The 195-page document is scheduled for publication in the *Federal Register* on Aug. 4. A copy is currently available at: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2017-16294.pdf>. This link will change upon publication. On Aug. 4, the link should be: <https://www.federalregister.gov/d/2017-16294>.

The Medicare Access and CHIP Reauthorization Act of 2015 sets the marketbasket percentage increase at 1 percent for hospices in FY 2018 that submit quality. CMS says the overall economic impact of this final rule is estimated to be \$180 million in increased payments to hospices during FY 2018.

Hospices that fail to provide mandated quality care measures will incur a 2.0 decrease in their updates.

COMMENT

For those who are new to Medicare, this rule includes 22 pages of background material. CMS notes it received a total of 89 responses to its proposed rule.

FY 2018 HOSPICE RATE UPDATE

Wage Index

For FY 2018, the hospice wage index will be based on the FY 2017 hospital pre-floor, pre-reclassified wage index. This means that the hospital wage data used for the hospice wage index is not adjusted to take into account any geographic reclassification of hospitals. The appropriate wage index value is applied to the labor portion of the payment rate based on the geographic area in which the beneficiary resides when receiving Routine Home Care or Continuous Home Care. The appropriate wage index value is applied to the labor portion of the payment rate based on the geographic location of the facility for beneficiaries receiving General Inpatient Care or Inpatient Respite Care.

The wage index applicable for FY 2018 is available on CMS' website at: <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/Hospice/index.html>.

Update Factor

As noted above, MACRA mandates that hospice payments for FY 2018 be increased by 1.0 percent.

4712 Country Club Drive
Jefferson City, MO 65109

P.O. Box 60
Jefferson City, MO 65102

573/893-3700
www.mhanet.com



continued

Currently, the labor portions of the hospice payment rates are as follows: for RHC, 68.71 percent; for CHC, 68.71 percent; for General Inpatient Care, 64.01 percent; and for Respite Care, 54.13 percent. The non-labor portion is equal to 100 percent minus the labor portion for each level of care. Therefore, the non-labor portion of the payment rates is as follows: for RHC, 31.29 percent; for CHC, 31.29 percent; for General Inpatient Care, 35.99 percent; and for Respite Care, 45.87 percent.

The FY 2018 Routine Home Care rates are shown in the tables below.

FY 2018 Hospice RHC Payment Rates						
Code	Description	FY 2017 Payment Rates	Service Intensity Add-on Budget Neutrality Factor	Wage Index Standardization Factor	FY 2018 Hospice Payment Update Percentage	FY 2018 Payment Rates
651	Routine Home Care (days 1-60)	\$190.55	X 1.0017	X 1.0000	X 1.010	\$192.78
651	Routine Home Care (days 61+)	\$149.82	X 1.0005	X 1.0001	X 1.010	\$151.41

The FY 2018 payment rates for CHC, IRC, and GIP are shown in the table below.

FY 2018 Hospice Payment Rates for CHC, IRC and GIP					
Code	Description	FY 2017 Payment Rates	Wage Index Standardization Factor	FY 2018 Hospice Payment Update	FY 2018 Payment Rates
652	Continuous Home Care Full Rate= 24 hours of care \$40.68 =FY 2018 hourly rate	\$964.63	X 1.022	X 1.010	\$976.42
655	Inpatient Respite Care	\$170.97	X 1.0006	X 1.010	\$172.78
656	General Inpatient Care	\$734.94	X 1.0017	X 1.010	\$743.55

For hospices that fail to meet quality reporting requirements the payments are reduced by 2.0 percent.

Hospice Cap Amount for FY 2018

The hospice cap amount for the 2018 cap year will be \$28,689.04, which is equal to the 2017 cap amount (\$28,404.99) updated by the FY 2018 hospice payment update percentage of 1.0 percent.

UPDATES TO THE HOSPICE QUALITY REPORTING PROGRAM

Previously Adopted Quality Measures for FY 2018 Payment Determination and Future Years

CMS finalized the specific collection of data items that support the following seven NQF-endorsed measures for hospice:



continued

- NQF #1617 Patients Treated with an Opioid who are Given a Bowel Regimen,
- NQF #1634 Pain Screening,
- NQF #1637 Pain Assessment,
- NQF #1638 Dyspnea Treatment,
- NQF #1639 Dyspnea Screening,
- NQF #1641 Treatment Preferences,
- NQF #1647 Beliefs/Values Addressed (if desired by the patient)

CMS also finalized the following two additional measures in the FY 2017 Hospice Wage Index final rule effective April 1, 2017. Data collected will, if not reported, affect payments for FY 2019 and subsequent years:

- Hospice Visits when Death is Imminent
- Hospice and Palliative Care Composite Process Measure – Comprehensive Assessment at Admission

CMS did not propose to remove any of the current HQRP measures at this time. Any future proposals regarding removal, suspension, or replacement of measures will be proposed in future rules.

Measure Concepts Under Consideration for Future Years

CMS solicited comments on two items regarding high priority measure areas for future measure development: (1) potentially avoidable hospice care transitions, and (2) access to levels of hospice care.

COMMENT

In responding to the solicitations above, CMS has expressed an interesting concept of the collection of data. CMS says, “the measures will present provider-level rates of the process and outcome in the two proposed measure areas, comparing providers to their peers with relevant and available patient-level

and hospice-level factors taken into account. Despite the inability to control for certain relevant factors such as patient and family preferences, these factors tend to distribute evenly across hospices. In other words, each hospice may serve patients and families with varying levels of preference for care. As such, the inability to control for these factors does not necessarily disadvantage certain hospices. Regardless, given the limitations of claims data, we are placing careful emphasis on how we construct the specifications of the measure and are using claims data to examine the patient factors that are available and related to the hospice’s performance in these measure areas. In addition, we believe that the advantages of using claims data, including minimized burden to providers and expedited implementation, outweigh the limitations of this data source.”

The comments and CMS’ responses to the two above items consume more than 20 pages. What is apparent is both the concerns of Hospice providers about the potential data gathering and what it could mean, and CMS’ extensive responses.

CAHPS® Participation Requirements for FY 2018 APU Determination and Determinations for Subsequent Years

The Hospice CAHPS® Survey is a component of the Hospice Quality Reporting Program. CMS is setting out requirements for the Hospice CAHPS® Survey for the FY 2020, FY 2021, and FY 2022 annual payment updates. In addition, the rule adopts two global CAHPS® Hospice Survey measures and six composite CAHPS® Hospice Survey-based measures, which would be derived from data submitted on the survey. The rule also finalizes how these measures will be calculated based on the survey data. More information about the survey can be obtained at the survey website, www.hospicecahpsurvey.org.

The survey consists of 47 questions and is available (using the mailed version)



in English, Spanish, Chinese, Russian, Portuguese, Vietnamese, Polish, and Korean.

The six CAHPS® Hospice Survey composite survey-based measures are:

- Hospice Team Communication;
- Getting Timely Care;
- Treating Family Member with Respect;
- Getting Emotional and Religious Support;
- Getting Help for Symptoms; and
- Getting Hospice Care Training.

Each of the six composite survey-based measures consists of two or more questions.

The two global survey-based measures are:

- Rating of Hospice; and
- Willingness to Recommend Hospice.

CMS says it did not receive any comments about these items and therefore, is adopting these measures as final for CY 2018 – (yes CY 2018, not FY).

Extraordinary Circumstances Exemption and Extension

For the FY 2019 payment determination and subsequent years, CMS finalized that it will extend the period of time a hospice may have to submit a request for an extension or exception for quality reporting purposes from 30 calendar days to 90 calendar days after the date that an extraordinary circumstance occurred.

New Data Collection Mechanisms Under Consideration: Hospice Evaluation & Assessment Reporting Tool

CMS is still developing a Hospice Item Set data collection instrument to be

more in line with other post-acute care settings. This revised data collection instrument, HEART, would be a patient assessment tool, rather than the current chart abstraction tool.

Public Reporting

CMS will begin public reporting of the hospice quality reporting program data via a Hospice Compare Site in August 2017. While HQRP includes both the Hospice Item Set and the Hospice CAHPS® Survey data, this new website will initially display only HIS data. The public display of the Hospice CAHPS® Survey data will be added in winter 2018. In this final rule, CMS has also finalized policies and procedures associated with the public reporting of the quality measures used in the Hospice Program, including release of the aggregate quality data file and the Provider Preview Reports.

FINAL COMMENT

As we have noted in many analyses, the issue of quality and quality reporting continues to grow and grow exponentially. All have a significant impact on providers and provider payments.

The quality discussion in this rule consumes 120 pages, more than 60 percent of the rule. Quality measures are still new, complex, growing, changing and with many timeframe requirements.

CMS is rushing to implement quality items as it wants to move away from so-called volume performance to quality performance. A worthwhile goal, but are the quality measures truly measuring quality?

*Analysis provided for MHA
by Larry Goldberg,
Goldberg Consulting*

