

Issue Brief

FEDERAL ISSUE BRIEF • April 28, 2017

Key Points

- CMS estimates that hospices will generally see a 1.0 percent or \$180 million in their payments for 2018.
- Comments about the rule are due no later than 4 p.m. Monday, June 26.

CMS Issues Proposed FY 2018 Hospice Wage Index, Payment Rate and Quality Reporting Requirements Update

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

The 158-page proposal is scheduled for publication in the *Federal Register* on May 3. A 60-day comment period ending June 26 is provided. A copy is currently available at: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2017-08563.pdf>. Of course, this link will change upon publication.

Section 411(d) of the Medicare Access and CHIP Reauthorization Act of 2015 amends section 1814(i) of the Social Security Act to set the market basket percentage increase at 1.0 percent for hospices in FY 2018 that submit quality. CMS estimates that overall hospice payments will increase by \$180 million in FY 2018 over FY 2017. Hospices that fail to provide mandated quality care measures would see a 2.0 decrease in their updates.

COMMENT

While this is a fairly well written and easy to follow proposal, there is simply too much dated history and redundancy. Some of the discussion points to the explosive growth in hospice services and payments with discussions on hospice utilization and provider behavior. Other sections address development and ongoing research of hospice payment.

CMS should put this information in an appendix and post it on the website. For one, I no longer want to care about items from 20 years ago. Simply, tell me the changes without all the boilerplate.

PROPOSED 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 including those in accordance with section 1886(d)(8)(B) or 1886(d)(10) of the Act.

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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 proposed hospice wage index for FY 2018 (October 1, 2017 through September 30, 2018) is available on the CMS website at: <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/Hospice/index.html>.

Update Factor

Normally, the proposed hospice payment update percentage for FY 2018 would have been based on the estimated inpatient hospital market basket update of 2.9 percent. The 2.9 percent would have been reduced by a Multi Factor Productivity adjustment as mandated by Affordable Care Act (currently estimated to be 0.4 percentage point for FY 2018). Section 1814(i)(1)(C)(v) of the Act requires that the estimated inpatient hospital market basket update for FY 2018 be reduced further by 0.3 percentage points. In effect, the proposed hospice payment update percentage for FY 2018 would be 2.2 percent.

However, MACRA mandates that the hospice payments for FY 2018 shall be 1.0 percent.

Currently, the labor portion 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 of the payment rates are 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 proposed FY 2018 Routine Home Care rates are shown in the table below.

PROPOSED FY 2018 HOSPICE RHC PAYMENT RATES

Code	Description	FY 2017 Payment Rates	Service Intensity Add-on Budget Neutrality Factor	Proposed Wage Index Standardization Factor	Proposed FY 2018 hospice payment update percentage	Proposed FY 2018 Payment Rates
651	Routine Home Care (days 1-60)	\$190.55	X 1.0018	X 1.0000	X 1.010	\$192.80
651	Routine Home Care (days 61+)	\$149.82	X 1.0005	X 1.0001	X 1.010	\$151.41

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

PROPOSED FY 2018 HOSPICE PAYMENT RATES FOR CHC, IRC, AND GIP

Code	Description	FY 2017 Payment Rates	Proposed Wage Index Standardization Factor	Proposed FY 2018 hospice payment update of 2.0 percent	FY 2018 Proposed 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



Code	Description	FY 2017 Payment Rates	Proposed Wage Index Standardization Factor	Proposed FY 2018 hospice payment update of 2.0 percent	FY 2018 Proposed Payment Rates
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 as reflected in the following two tables.

PROPOSED FY 2018 HOSPICE RHC PAYMENT RATES FOR HOSPICES THAT DO NOT SUBMIT THE REQUIRED QUALITY DATA

Code	Description	FY 2017 Payment Rates	SBNF	Wage Index Standardization Factor	FY 2018 Proposed Hospice Payment Update of 1% minus 2 percentage points = -0.1%	FY 2018 Proposed Payment Rates
651	Routine Home Care (days 1-60)	\$190.55	X 1.0018	X 1.0000	X 0.99	\$188.98
651	Routine Home Care (days 61+)	\$149.82	X 1.0005	X 1.0001	X 0.99	\$148.41

PROPOSED FY 2018 HOSPICE CHC, IRC, AND GIP PAYMENT RATES FOR HOSPICES THAT DO NOT SUBMIT THE REQUIRED QUALITY DATA

Code	Description	FY 2017 Payment Rates	Wage Index Standardization Factor	FY 2018 Proposed Hospice Payment Update of 1% minus 2 percentage points = -0.1%	FY 2018 Proposed Payment Rates
652	Continuous Home Care Full Rate= 24 hours of care; \$39.88 = FY 2018 hourly rate	\$964.63	X 1.0022	X 0.99	\$957.08
655	Inpatient Respite Care	\$170.97	X 1.0006	X 0.99	\$169.36
656	General Inpatient Care	\$734.94	X 1.0017	X 0.99	\$728.83

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.

PROPOSED UPDATE TO THE HOSPICE QUALITY REPORTING PROGRAM

CMS is not proposing any new measures, nor is it proposing to delete any. The following table lists the current quality measures.



continued

Previously Finalized Quality Measures Affecting the FY 2019 Payment Determination and Subsequent Years

NQF Number	Measure Name	Payment Determination (APU) Year for which the quality measure was first adopted	Data Collection Mechanism	Data Submission Deadline
NQF #1641	Treatment Preferences	FY 2016	Hospice Item Set	Rolling - within 30 days of patient admission or discharge (event date).
NQF #1647	Beliefs/Values Addressed (if desired by the patient)	FY 2016		
NQF #1634	Pain Screening	FY 2016		
NQF #1637	Pain Assessment	FY 2016		
NQF #1639	Dyspnea Screening	FY 2016		
NQF #1638	Dyspnea Treatment	FY 2016		
NQF #1617	Patients Treated with an Opioid Who Are Given a Bowel Regimen	FY 2016		
N/A	Hospice and Palliative Care Composite Process Measure – Comprehensive Assessment at Admission	FY 2019		Rolling - within 30 days of patient admission or discharge (event date) for patient admissions to hospice on 04/01/2017 and onward
N/A	Hospice Visits When Death is Imminent	FY 2019		

CAHPS® Participation Requirements for FY 2018 Annual Payment Update Determination and Determinations for Subsequent Years

CMS is proposing that to meet the HQRP requirements for the FY 2021 APU payment determination, hospices would collect survey data on a monthly basis for the months of January 1, 2019 through December 31, 2019. CMS is proposing that to meet the HQRP requirements for the FY 2022 APU payment determination, hospices would collect survey data on a monthly basis for the months of January 1, 2020 through December 31, 2020.

Hospice CAHPS® Experience of Care Survey

Measures derived from the CAHPS® Hospice Survey include six multi-item (composite) measures and two global ratings measures under NQF 2651. CMS is proposing to adopt these eight survey-based measures for the CY 2018 data collection period and for subsequent years. CMS says it believes these survey-based measures will be useful in assessing aspects of hospice care where the family/ primary caregiver is the most useful or only source of information, and to allow meaningful and objective comparisons between hospice providers.

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.

The two global survey-based measures are comprised of a single question each and ask the primary caregiver of the decedent to rate the care provided by the hospice facility and his or her willingness to recommend the hospice to family and friends. More information about these measures can be found on the official CAHPS® Hospice Survey website, www.HospiceCAHPSsurvey.org and in the CAHPS® Hospice Survey Quality Assurance Guidelines, which is posted on the website.

The eight survey-based measures CMS is proposing were included on the CY 2016 Measures Under Consideration list, and reviewed by the Measure Applications Partnership 30

- CAHPS® Hospice Survey: Rating of Hospice (MUC ID: MUC16-31)
- CAHPS® Hospice Survey: Hospice Team Communications (MUC16-32)
- CAHPS® Hospice Survey: Willingness to Recommend (MUC16-33)
- CAHPS® Hospice Survey: Getting Hospice Care Training (MUC16-35)
- CAHPS® Hospice Survey: Getting Timely Care (MUC16-36)
- CAHPS® Hospice Survey: Getting Emotional and Religious Support (MUC16-37)
- CAHPS® Hospice Survey: Getting Help for Symptoms (MUC16-39)
- CAHPS® Hospice Survey: Treating Family Member with Respect (MUC16-40)

The MAP supported rulemaking for all eight “patient-reported” measures derived from the CAHPS® Hospice Survey. The MAP noted that the

CAHPS® Hospice Survey measures may offer an indication of global quality of care by including the perspective of both patients and their caregivers.

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.

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.

Quality measures are still new, complex and with many timeframe requirements.

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

*Analysis provided for MHA
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