


The FY 2016 Wage Index Proposed Rule


Subscriber Audioconference
June 2015

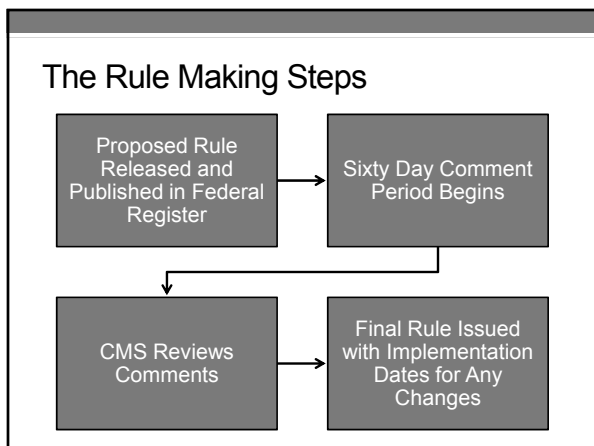


HOSPICE FUNDAMENTALS
KNOWLEDGE • EXPERTISE • COMMON SENSE

Today's Topics


- The Annual Rule Making Process
- Key Areas of the FY 2016 Proposed Rule
- Things to Wonder About
- Areas for You to Explore Now






The Enduring Life of a Final Rule

- The final rule creates an enduring record that may be used by many parties in the future
- Comments count
 - CMS has to read every comment and respond in the final rule
 - Volume of comments is noted
 - Provides an opportunity to introduce new perspectives and to gently question assumptions




Last Year at This Time

1. Part D & Hospice Coordination of Benefits
2. Additional Data Elements on Hospice Claims (4/1/2014)
3. The Hospice Item Set (7/1/2014)
4. FY 2015 Wage Index Rule
 - A. NOE & NOTR Reporting
 - B. Adding Attending to the Election of Benefits & Steps Required with Change in Attending Physician




Provisions of the FY 2016 Proposed Rule

- A. Hospice Payment Reform: Research and Analysis
- B. Proposed Routine Home Care Rates and Service Intensity Add-On (SIA) Payment
- C. Proposed FY 2016 Hospice Wage Index & Rates Update
- D. Proposed Alignment of the Inpatient and Aggregate Cap Accounting Year with The Federal Fiscal Year
- E. Proposed Updates to Hospice Quality Reporting Program
- F. Clarification Regarding Diagnosis Reporting on Hospice Claims



Three FY 2016 Rule Focus Areas


| | |
|---|------------------------|
| Pre-Hospice Spending | 80 FR 25841 PDF p11 |
| Non-Hospice Spending during a Current Election Period | 80 FR 25843 PDF p13 |
| Live Discharges | 80 FR 25847 PDF p17 |



Monitoring Vulnerabilities

“In early 2014, we began working with Acumen, LLC, using real-time claims data, to monitor the vulnerabilities identified in the 2013 and 2014 Abt Associates Hospice Payment Report Technical Reports”


<http://www.cms.gov/Center/Provider-Type/Hospice-Center.html>
Scroll down to Research & Analyses

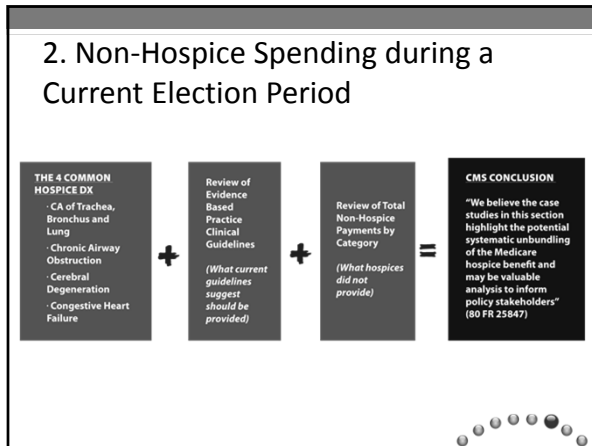


1. Pre-Hospice Spending

Does hospice care cost less than traditional health care?

Should hospice care cost less than traditional health care?





3. Live Discharges

- MedPAC got curious; CMS acted
- CR 7677 was issued February 2012 and took effect July 2012
- With the addition of one new code and some rearranging of existing codes, a whole new level of data on live discharges was created

Discharges – Pre July 1, 2012

| | Hospice A | Hospice B | Hospice C |
|-------------------|-----------|-----------|-----------|
| Live Discharges | 33 | 35 | 34 |
| Discharge / Cause | 2 | | 1 |
| Total Discharges | 35 | 35 | 35 |

Discharges – Post July 1, 2012

| | Hospice A | Hospice B | Hospice C |
|-----------------------------|-----------|-----------|-----------|
| Revocation | 4 | 28 | 10 |
| D/C – Medical Ineligibility | 15 | 2 | 24 |
| D/C – Out of Service Area | 14 | 5 | 0 |
| D/C - Cause | 2 | 0 | 1 |
| Total Discharges | 35 | 35 | 35 |

From FY 2016 Proposed Rule

| Year | Live Discharge Rate |
|------|---------------------|
| 2000 | 13.2% |
| 2013 | 18.3% |

| Statistic | Live D/C Rate |
|--|---------------|
| 5th Percentile | 8.1 |
| 10th Percentile | 9.5 |
| 25th Percentile | 12.9 |
| Median | 18.3 |
| 75th Percentile | 26.6 |
| 90th Percentile | 39.1 |
| 95th Percentile | 50.0 |
| Hospices with 50 or more discharges FY 2013 | |

Programs with Higher Live DCs

| | |
|--|------------------------------|
| Aggregate Cap Status | More likely to have exceeded |
| Skilled Visit Intensity | Less average visits per week |
| Average Length of Stay | Longer |
| Non-Hospice Spending Rates Per Beneficiary | Higher |


Abt Associates performed analysis on FY 2013 claims to identify those beneficiaries discharged alive. Analyses in the yet-to-be released 2015 technical report. Stay tuned.

Proposed RHC Adjustment #1

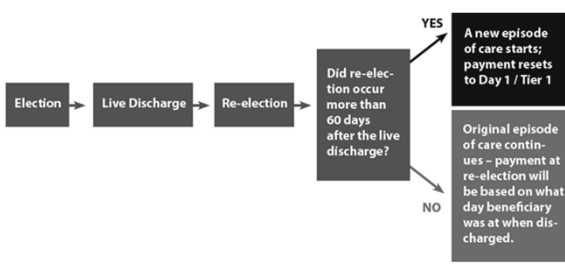
Establish a two-tiered RHC rate that would apply to all beneficiaries

Tier 1: Days 1- 60 \$187.63*
Tier 2: Days 61+ \$145.21*

*adjusted based on geographical location of the patient




Concept: Episode of Care



```

graph LR
    Election --> LiveDischarge[Live Discharge]
    LiveDischarge --> Re-election
    Re-election --> Decision{Did re-election occur more than 60 days after the live discharge?}
    Decision -- YES --> NewEpisode[A new episode of care starts; payment resets to Day 1 / Tier 1]
    Decision -- NO --> OriginalEpisode[Original episode of care continues - payment at re-election will be based on what day beneficiary was at when discharged.]
  
```




Proposed RHC Adjustment #2

Establish a service intensity add-on (SIA) payment

IF these four criteria are met:

1. The day is billed as a RHC day
2. The day occurs during the last 7 days of life (patient dies on service)
3. Direct patient care is provided by a RN or a social worker
4. The service is not provided in a SNF/NF

THEN Add a SIA to the RHC rate for each hour of direct patient care provided by a RN or SW equal to the current continuous home care hourly rate [proposed FY 2016 national rate \$38.67]. Payment may be made for up to 4 hours total per day in addition to the RHC rate



Selected MedPAC Comments

We urge CMS to move expeditiously to finalize and implement these changes to the RHC for fiscal year 2016

We believe

- o SIA payment should be permitted in the nursing home
- o Issue of cost of furnishing hospice care in NFs would be more appropriately addressed through an adjustment to the RHC payment rate

MedPAC Comments on FY 2016 Proposed Rule
June 2, 2015



Some Questions

- Days follow the beneficiary – are CMS systems up to the challenge?
- Can software companies make the necessary programming changes quickly enough?
- How many visits are occurring in the last 7 days of life?
- How much documentation is going on outside of visits? Why is that happening? How many \$\$ will your hospice be leaving on the table?
- How will this impact future rates?



What's Being Considered?


Although no new measures for next reporting cycle CMS has identified "high priority" concept ideas to work on for the future

- Patient-reported pain outcome measure
- Claims-based measures capturing care practice patterns such as
 - o Skilled visits last days of life
 - o Burdensome transitions in and out of hospice benefit
 - o Rates of live discharges
- Responsiveness of hospice to patient/family care needs
- IDG communication and care coordination




Proposal: Timely Submission

| What | By When |
|----------------------|--|
| HIS Admission Record | No later than admission date + 30 days |
| HIS Discharge Record | No later than discharge date + 30 days |




Proposal: HIS Submission Thresholds

| How many HIS admit and discharge records must meet 30 day submission requirement in order for a hospice to meet agency timeliness requirement and avoid 2% cut? | No Less Than | For Payment Determination Year |
|---|--------------|--------------------------------|
| | 70% | FY 2018 |
| | 80% | FY 2019 |
| | 90% | FY 2020 and beyond |



Hospice Compare

- It's coming – but no time soon!
- Will include star rating system (1 – 5)
- Timeline will be announced in future rulemaking
- Now is the time to be working on and improving your numbers



Feeling a Tad Dizzy?

| Fiscal Year (Release Year) | What Should be Coded on the Hospice Claim? |
|----------------------------|---|
| FY 2013 (2012) | Hospice should report all coexisting or additional diagnoses that are related to the terminal illness; they should not report coexisting or additional diagnoses that are unrelated to the terminal illness |
| FY 2016 (2015) | Hospices will report all diagnoses identified in the initial and comprehensive assessments whether related or unrelated to the terminal prognosis |

A Three Step Process

Step 1:
What is impacting the patient at this time?

Step 2:
What is most contributory to the six month prognosis?

Step 3:
Are the other DX on the list related or unrelated?

Section's Closing Paragraph

"We will monitor compliance with required coding practices and collaborate with all relevant CMS components to determine whether further policy changes are needed or if additional program integrity oversight actions need to be implemented."

80 FR 25881

On the Work List

- Look at visits and documentation
- Get busy on live discharges and your PEPPER if you have not already done so
- Ensure HIS submissions are timely
- Know where you are on coding
- Watch upcoming Judy Adams segment and review the one on coding for dementia patients

To Contact Us

Susan Balfour
919-491-0699
Susan@HospiceFundamentals.com

Roseanne Berry
480-650-5604
Roseanne@HospiceFundamentals.com

Charlene Ross
602-740-0783
Charlene@HospiceFundamentals.com

The information enclosed was current at the time it was presented. This presentation is intended to serve as a tool to assist providers and is not intended to grant rights or impose obligations.

Although every reasonable effort has been made to assure the accuracy of the information within these pages, the ultimate responsibility for the correct submission of claims and response to any remittance advice lies with the provider of services.

HOSPICE FUNDAMENTALS
KNOWLEDGE • EXPERTISE • COMMON SENSE

Do You Need Compliance Certification Board (CCB) Continuing Education Credits?

1. Download the application at:
<http://www.compliancecertification.org/Portals/2/PDF/CCEP/ccb-scce-individual-accreditation-app.pdf>
2. Attach a PDF of handouts
3. E-mail or fax to address on the application
