

The Least You Need to Know:

The FY 2021 Hospice Wage Index Final Rule was published in the Federal Register on August 4th, 2020. Due to the Public Health Emergency and its impact on hospices this year's Hospice Wage Index Rule is much briefer than in previous years. It includes a 2.4% rate increase for hospices for FY 2021, beginning on October 1, 2020. Also finalized are a few changes to the Core-based Statistical Area (CBSA)/Rural designations for some counties.

The Final Rule also confirmed that the Election Statement changes and the Election Addendum will go into effect as originally planned on October 1, 2020. There are no changes to the policies finalized in the FY 2020 final rule regarding the election statement content or the requirements for the election statement addendum. The sample election statement and election addendum were updated and provided as a model for the new requirements.

What's Changed

The "Patient Notification of Hospice Non-Covered Items, Services and Drugs", widely known as the "Election Addendum" was first introduced last year in the Proposed Hospice Wage Index. At the time of the final rule for FY 2020, the addendum was finalized with an implementation date of October 1, 2020. The hospice community had hoped that due to the pandemic, the implementation would be delayed until 2021.

This Election Addendum provides a way for a hospice to notify the patient and family of which services or medications will not be covered by the hospice because they are unrelated to the terminal diagnosis. It also informs them of their right to Immediate Advocacy through the BF-QIO, in the event that the family disagrees with the hospice's decisions.

The spirit behind this new requirement has been ongoing concern by CMS and the OIG regarding:

- 1) Hospice patient spending that is billed outside the hospice benefit, for example, Part D payments for medications.
- 2) The need for transparency around what is and is not related to the hospice diagnosis. It is the patient's right to fully understand what the hospice is and is not paying for, and why.
- 3) Poor coordination of care between the hospice and other healthcare providers.

↙ The Final Payment Rates for FY 2021 are:

LEVEL OF CARE	PAYMENT RATE
Routine Home Care (days 1-60)	\$199.25
Routine Home Care (days 61+)	\$157.49
Continuous Home Care (24 hours)	\$1,432.41 (\$59.68 an hour)
Inpatient Respite Care	\$461.09
General Inpatient Care	\$1046.66



Actions of a Prudent Hospice™

ONE. Read the Final Rule to gain full understanding of CMS's thoughts/expectations. Every comment from the hospice community is summarized and feedback provided by CMS.

TWO. Calculate the financial impact when projecting your 2021 budget using the updated rates. Remember that hospices will continue to avoid the 2% Sequestration through the end of December 2020.

THREE. Referencing CMS's examples, develop your agency's updated [Election Statement](#), as well as the new [Patient Notification](#) form. Provide the correct contact information for the QIO for your hospice. You can find your QIO at: <https://qioprogram.org/locate-your-qio>

FOUR. Educate, role play, and provide scripting on explaining the Medicare Benefit and related and unrelated items and services, including how to present the Election Addendum. Create a process so the timeframes of the provision of the Election Addendum can be met.

Links to More Information

You will find the Final Rule, as well as the updated sample Election statement and Patient Notification forms at: <https://www.cms.gov/medicare/medicare-fee-service-payment/hospice/hospice-regulations-and-notices/cms-1733-f>

