FY 2017 Hospice Final Rule Summary

CMS Data Analysis
- Top Hospice Diagnoses for 2015 (with ICD-9 codes):
  1. Alzheimer’s disease (331.0)—13%
  2. Congestive heart failure, unspecified (428.0)—8%
  3. Lung cancer (162.9)—6%
  4. Senile degeneration of the brain (331.2)—3%

Diagnosis Reporting
- CMS reminded providers to include all diagnoses on the claim form, whether related or unrelated
  - Percent of claims with only one diagnosis is decreasing (37% in 2015 v. 49% in 2014)

Notice of Election
- CMS currently conducting an analysis that aims to redesign the hospice benefit period data in their systems
- Advised agencies to have quality assurance measures in place to ensure NOE is accurate and free of transcribing errors

Payment Update
- No changes to new FY2016 payment structure (i.e., RHC rates, SIA incentive)
- 2.1% market basket update
  - 2.7% hospital market basket
  - -0.3% productivity adjustment
  - -0.3% hospice-specific reduction (this will continue through FY2019)
- Hospices that do not submit required quality data will continue to receive lower rates

Two Levels of Routine Home Care for Hospices that DO Submit Quality Data

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>FY2016 Payment Rates</th>
<th>Service Intensity BNF</th>
<th>FINAL FY2017 Wage Index Standardization Factor</th>
<th>FY 2017 FINAL Hospice Payment Update Percentage</th>
<th>FY2017 FINAL Payment Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>651</td>
<td>Routine Home Care (days 1-60)</td>
<td>$186.84</td>
<td>X 1.0000</td>
<td>X 0.9989</td>
<td>X 1.021</td>
<td>$190.55</td>
</tr>
<tr>
<td>651</td>
<td>Routine Home care (days 61+)</td>
<td>$146.83</td>
<td>X 0.9999</td>
<td>X 0.9995</td>
<td>X 1.021</td>
<td>$149.82</td>
</tr>
</tbody>
</table>

August 2016
Aggregate Cap

- Cap is now adjusted by the annual rate update percentage (2.1% for FY2017) rather than inflation factors
- Final cap amount = $28,404.99
- Cap year for FY2017 is fully transitioned to the federal fiscal year (Oct. 1-Sept 30)
- Hospices must complete cap determination no sooner than 3 months and no later than 5 months after the end of the cap year and remit any overpayments

Hospice Aggregate Cap Timeframes for Counting Beneficiaries and Payments for the Alignment of the Cap Accounting Year with the Federal Fiscal Year

<table>
<thead>
<tr>
<th>Cap</th>
<th>Streamlined Method</th>
<th>Patient-by-Patient Proportional Method</th>
<th>Streamlined Method</th>
<th>Patient-by-Patient Proportional Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 Year)</td>
<td>9/28/16 – 9/30/17</td>
<td>11/1/16 – 9/30/17</td>
<td>11/1/16 – 9/30/17</td>
<td>11/1/16 – 9/30/17</td>
</tr>
<tr>
<td>2018</td>
<td>10/1/17 – 9/30/18</td>
<td>10/1/17 – 9/30/18</td>
<td>10/1/17 – 9/30/18</td>
<td>10/1/17 – 9/30/18</td>
</tr>
</tbody>
</table>

Source: Table 26, FY2016 Hospice Wage Index Final Rule
New Quality Measures

- All current measures continue with the addition of the two outlined below, with data collection to begin April 1, 2017

Hospice Visits When Death is Imminent (pair of measures)
- Percent of patients receiving at least 1 visit from RN, Physician, NP or PA in last 3 days of life
- Percent of patients receiving at least 2 visits from MSW, chaplains/spiritual counselor, LPN or hospice aides in the last 7 days of life
  - Data for both of these will be collected with 4 new HIS items on the HIS Discharge record—also to begin April 2017

Hospice and Palliative Care Comprehensive Assessment at Admission (composite measure)
- Use current HQRP quality measures as components in this composite measure:
  - Pain Screening, Pain Assessment, Dyspnea Treatment, Patients Treated with an Opioid who are given a Bowel Regimen, and Treatment Preferences & Beliefs/Values Addressed if desired by patient
- Percent of patients for whom HIS Admission records contain data on all 7 current HQRP measures
- Assessed for each patient then aggregated into one score for the whole hospice

Future Changes under Consideration

- These items were not proposed or finalized in the rule, but CMS collected comments and noted their intention to move forward with these in future rulemaking
- Planning for Hospice Compare website, spring/summer 2017, developed with future stakeholder input
  - Confirmed the website would use HIS and CAHPS data
  - Would use HIS data collected during Q4 2014 through Q1-3 2015 as first report
  - Will consider all 7 HIS measures
  - Agency must have at least 20 patients in 12 rolling months to be publicly reported
  - Data would be available to providers via CASPER preview report prior to public reporting
- Hospice data collection mechanism/patient assessment mechanism (like OASIS)
  - Provide quality data necessary for HQRP requirements
  - Provide additional clinical data CMS can use in future payment refinements
    - symptom burden, functional status, and patient, family, and caregiver preferences
  - Very likely to move forward with this in future rules
  - Responsive to comments by PHA and others on the development of the new tool:
    - Noted their desire to develop a tool that addresses the “holistic nature of hospice, incorporating important medical, psychosocial, spiritual, and other aspects of care.” They also appreciated commenters’ suggestions for a tool to be flexible, incorporating input from various members of the IDT and accommodating circumstances unique to hospice, such as the “care of the imminently dying and patient/caregivers’ right to decline services or treatment.”

August 2016
• Case Mix System
  o Noted in final rule that detailed patient characteristics (through the common assessment tool mentioned above) are necessary to determine whether a case mix payment system could be achieved
  o Started analyzing pre-hospice spending in FY2014 as an initial step in determining whether patients require different resource needs based on the principal diagnosis reported on the hospice claim
  o Patients with the longest length of stay had lower pre-hospice spending relative to hospice patients with shorter lengths of stay.
    • Tend to be neurological conditions (Alzheimer’s disease & dementias)