



## FY2019 Hospice Wage Index Final Rule

To: NHPCO Provider Members  
From: NHPCO Health Policy Team  
Date: August 2, 2018

### Summary at a Glance

On Wednesday, August 1, 2018, the Centers for Medicare and Medicaid Services (CMS) posted the [FY2019 Hospice Wage Index Final Rule](#) (PDF), public inspection copy. The final rule includes a summary of the trend analysis detailed in the proposed rule, adds regulatory text to implement statutory changes adding physician assistants as hospice attending physicians, details the options for reporting of drugs on the claim form, publishes hospice rates and cap amount for FY2019, finalizes changes to the Hospice Quality Reporting Program (HQRP) and comments on a request for information on health information technology. The final rule will publish in the Federal Register on August 6, 2018. Provisions of the final rule are effective October 1, 2018, except for the physician assistant provision, which takes effect January 1, 2019.

**FY2019 Hospice Wage Index Final Rule:** On August 1, 2018, CMS posted the final rule on the Federal Register public inspection site. NHPCO has analyzed the key information from the final rule below. The effective date for the provisions of the final is October 1, 2018, except for the provision allowing a physician assistant to serve as a hospice attending physician, which is effective January 1, 2019. CMS reports that 56 comments were received on the proposed rule. Thank you to the hospice providers and state organizations that wrote comment letters expressing support and concern for the provisions of the proposed rule.

- [Download the Final Rule](#) (PDF)

**Fact Sheet:** CMS has [issued a fact sheet](#) on the final rule, with a summary of major provisions. Access the fact sheet from the CMS website.

- [CMS Fact Sheet](#)

## **Rates and Cap**

CMS confirms that the hospice payment update percentage for FY 2019 is 1.8%. For hospice providers not participating in hospice quality reporting, the hospice payment update for FY 2019 is -0.2%.

### **FY2019 Final Hospice Rates for Hospices Participating in Quality Reporting**

**Note: These rates are effective October 1, 2018**

<b>Level of Care</b>	<b>FY2018 Rate</b>	<b>Final FY 2019 Rate</b>
Routine Home Care (Days 1-60)	\$192.78	\$196.25
Routine Home Care (Days 61+)	\$151.41	\$154.21
Continuous Home Care 24-hour rate = \$997.38	\$40.68	\$41.56
Inpatient Respite Care	\$172.78	\$176.01
General Inpatient Care	\$743.55	\$758.07

### **FY2019 Final Hospice Rates for Hospices NOT Participating in Quality Reporting Rates effective October 1, 2018**

**Note: 2% Non Compliance Penalty**

<b>Level of Care</b>	<b>FY2018 Rate</b>	<b>Final FY 2019 Rate</b>
Routine Home Care (Days 1-60)	\$192.78	\$192.39
Routine Home Care (Days 61+)	\$151.41	\$151.18
Continuous Home Care 24-hour rate = \$977.78	\$40.74	\$40.74
Inpatient Respite Care	\$172.78	\$172.56
General Inpatient Care	\$743.55	\$743.18

**Wage Index Values:** CMS has posted the [final FY 2019 wage index values](#) on the CMS website. Several commenters expressed concerns about the volatility of the wage index values for their area. In addition, several commenters expressed concern that an adjacent CBSA had a higher wage index value. CMS responded with a reference to the calculation for the wage index and explained that the “annual changes in the wage index reflect real variations in costs of providing care in various geographic locations. We [CMS] utilize efficient means to ensure and review the accuracy of the hospital cost report data and resulting wage index. The hospice wage index is derived from the pre-floor, pre-reclassified wage index for hospitals, which is which is calculated based on cost report data from hospitals.”

Please note that even though the published rate increase is 1.8%, the wage index for an area will dictate what the rate increase will be in a metropolitan or rural area. NHPCO will prepare state/county wage index charts with final FY2019 rates for all levels of care for provider use in the coming days.

- [Final 2019 wage index values](#)

**Hospice Cap Amount for FY2019:** \$29,205.44, a 1.8% increase over FY2018. The cap year will be the twelve-month period ending September 30 of each year.

### **Cost Report**

On April 13, 2018, CMS issued [Transmittal 3](#) (PDF), revising the cost reporting forms and instructions for hospices found in the Medicare Provider Reimbursement Manual – Part 2, Provider Cost Reporting Forms and Instructions, Chapter 43, Form CMS-1984-14. Transmittal 3 includes the inclusion of Level 1 and Level 2 edits to the hospice cost report. CMS confirms that they will implement level 1 and Level 2 edits effective with cost reports year end December 31, 2017.

- [Download Transmittal 3 \(PDF\)](#)

### **Reporting Hospice Drug Information**

In the proposed rule, CMS discussed the proposed reduction in regulatory burden by requiring hospices to submit total, aggregate DME and drug charges on the claim, rather than submitting detailed drug information with NDC information as separate line items on the claim. Concurrently, CMS also issued [CR 10573](#) implementing this change, effective October 1, 2018. Commenters provided feedback on this change, including the request that the change be optional.

- [Download CR 10573](#) (PDF)

In the final rule, CMS responded by stating that “this submission option will **no longer be mandatory.**” CMS states that a hospice “can submit total, aggregate DME and drug charges on the claim. At this time, claims processing edit prohibiting providers to submit both separate line item drug data and aggregate drug data on the claim. However, we encourage providers to select one consistent mechanism for reporting this data.” NHPCO will continue to work with CMS and with Medicare Administrative Contractors (MACs) to further clarify this sub-regulatory policy.

### **Physician Assistants in Hospice**

The FY 2019 Hospice Wage Index Final Rule finalizes the regulatory language to add physician assistants to the list of providers that can serve as a hospice patient’s attending physician, effective January 1, 2019. The regulatory text implements section 51006 of the Bipartisan Budget Act of 2018 (Pub. L. 115–123) amended section 1861(dd)(3)(B) of the Social Security Act. The following are details on the addition of physician assistants:

- **Serve as a designated hospice attending physician:** Effective January 1, 2019, physician assistants will be recognized as a designated hospice attending physician. They will join nurse practitioners and physicians in this role.
- **Bill for services:** Effective January 1, 2019, Medicare will pay for reasonable and necessary services provided by PAs to Medicare beneficiaries who have:
  - Elected the Medicare hospice benefit
  - Selected the PA as their attending
  - PAs will be paid at 85% of the schedule amount for their services.
- **State scope of practice:** CMS notes that the states' scope of practice governance may not permit a PA to serve as a hospice beneficiary's attending physician. As stated in the final rule, "hospice providers are responsible for reviewing the state hospice licensure requirements and scope of practice regulations for PAs to ensure that PAs are allowed to serve as a hospice patient's attending physician in accordance with state law and make staffing decisions accordingly."
- **Serving on the IDG:** Language at §418.56 states that the "interdisciplinary group (IDG) must include, but is not limited to, individuals who are qualified and competent to practice in the following professional roles: (i) A doctor of medicine or osteopathy (who is an employee or under contract with the hospice). (ii) A registered nurse. (iii) A social worker. (iv) A pastoral or other counselor." CMS states that "the required members of the IDG are described in the CoPs, but other professionals, including NPs and PAs, are not excluded from participating in the IDG as appropriate for the beneficiary's plan of care."
- **Physician Assistants cannot:**
  - **Certify or recertify terminal illness.**  
In the final rule, CMS reiterates that "no one other than a medical doctor or doctor of osteopathy can certify or re-certify terminal illness."
  - **Conduct face-to-face encounters.**
    - The face-to-face encounter statutory language was not changed when PAs were added as a hospice attending physician.

### **Trends in Hospice Utilization**

The FY2019 Hospice Wage Index proposed rule has a detailed trend analysis of hospice data, which NHPCO analyzed in the Regulatory Alert for the FY2019 proposed rule. In the final rule, several data points are mentioned, as summarized below.

- **Patients served in FY2017:** Nearly 1.5 million
- **Spending in FY2017:** \$17.7 billion, compared to \$2.8 billion in FY2000

- **Top Diagnoses in FY2017**

Rank	ICD-10	Reported Principal Diagnosis	Count	%
1	G30.9	Alzheimer's disease, unspecified	155,066	10%
2	J44.9	Chronic obstructive pulmonary disease	77,758	5%
3	I50.9	Heart failure, unspecified	69,216	4%
4	G31.1	Senile degeneration of the brain, not elsewhere classified	66,309	4%
5	C34.90	Malignant Neoplasm of Unspecified Part of Unspecified Bronchus or Lung	53,137	3%
6	G20	Parkinson's disease	40,186	3%
7	G30.1	Alzheimer's disease with late onset	38,710	2%
8	I25.10	Atherosclerotic heart disease of native coronary art without angina pectoris	34,761	2%
9	J44.1	Chronic obstructive pulmonary disease with (acute) exacerbation	33,547	2%
10	I67.2	Cerebral atherosclerosis	30,146	2%

## **Updates to the Hospice Quality Reporting Program (HQRP)**

### **Measures in FY2019**

- No new measures for FY 2019.

### **Penalty for Not Reporting**

A hospice must submit both HIS and CAHPS measure for compliance. Failure to comply with submission requirements will result in a 2% reduction in a provider's reimbursement rate.

### **Meaningful Measures**

- CMS launched the Meaningful Measures initiative in October 2017, to identify the highest priority areas for quality measurement and quality improvement and to improve patient outcomes. This initiative applies to all provider types under Medicare. Several of the meaningful measures apply to hospice services. CMS has begun assessing all provider types' quality measures in accordance with the Meaningful Measures framework.

### **Social Risk Factors**

- Dual eligibility is the most powerful predictor of poor health outcomes.
- New measures may be evaluated based on social risk factors.

- National Quality Form (NQF) undertook a 2-year study on social risk factors and their use in measurement.
- CMS may consider differences in patient backgrounds that might affect outcomes.

CMS plans to continue working with ASPE, the public, and other key stakeholders on this important issue to identify policy solutions that achieve the goals of attaining health equity for all beneficiaries and minimizing unintended consequences.

**New Measure Removal Factor**

- CMS is adopting an eighth factor to consider when evaluating measures for removal from the HQRP measure set: The costs associated with a measure outweighs the benefit of its continued use in the program.
- CMS will adopt an additional measure removal factor for the HQRP, “the costs associated with a measure outweighs the benefit of its continued use in the program,” for FY 2019 and subsequent years.

**Previously Adopted Quality Measures for FY 2019 Payment Determination and Future Years**

CMS will implement public reporting data review and correction timeframes for data submitted using the HIS, starting on January 1, 2019.

<b>Data Reporting Period*</b>	<b>Data Correction Deadline for Public Reporting*</b>
Prior to January 1, 2019	August 15, 2019
January 1, 2019 – March 31, 2019	August 15, 2019
April 1, 2019 – June 30, 2019	November 15, 2019
July 1, 2019 – September 30, 2019	February 15, 2020
October 1, 2019 – December 31, 2019	May 15, 2020

\*This CY time period involved is intended to inform both CY 2019 data and to serve as an illustration for the review and correction deadlines that are associated with each calendar year of data reporting quarter.

**CAHPS® Hospice Survey Participation Requirements for the FY 2023 APU and Subsequent Years**

- CMS will continue treating the preferred language of the caregiver as a recommended variable.
- CMS will continue to require that hospice providers use CMS-approved vendors to conduct the CAHPS® Hospice Survey using one of the three approved modes, mail, telephone or mixed mode (mail with telephone follow-up).
- Continue to report eight quarters of data on Hospice Compare
- To meet participation requirements for the FY 2025 APU, Medicare-certified hospices must collect CAHPS® Hospice Survey data on an ongoing monthly basis from January 2023 through December 2023 (all 12 months) to receive their full payment for the FY 2025 APU.
- CAHPS exemptions:
  - CMS will continue to exempt to small hospices from data collection for the CAHPS® Hospice Survey through FY 2015 and subsequent years.

- CMS will continue to offer the “newness” exemption for the CAHPS® Hospice Survey to hospices that receive their CCN number after the data collection year starts.
- The CAHPS Hospice Survey team has recently decided to launch a study of the cover letter and phone script to determine how it can be made more readable to all members of the public. This research will include a review of the grade level of each item and feedback from respondents.

#### **Public Display of Quality Measures and other Hospice Data for the HQRP**

- CMS will announce any future intent to publicly report a quality measure on Hospice Compare or other CMS website, including timing, through sub-regulatory means.
- Quality Measures to be Displayed on Hospice Compare in FY 2019
  - Composite Measure - the HIS-based Hospice Comprehensive Assessment Measure (NQF #3235), a composite measure of the 7 original HIS Measures will be reported on the CMS Hospice Compare Web site in **Fall 2018**.
    - calculated based on a 12-rolling month data selection period, to be eligible for public reporting with a minimum denominator size of 20 patient stays
  - Visits when Death is Imminent Measure Pair Public will be reported in FY 2019. The exact timeline for public reporting of this measure pair will be announced through regular sub-regulatory channels once necessary analyses and measure specifications are finalized.

#### **Updates to the Public Display of HIS Measures**

- If inaccurate or outdated demographic data are included on the Preview Report or on Hospice Compare, hospice providers should follow guidance in the How to Update Demographic Data document in the downloads section of the [Public Reporting: Background and Announcements](#) page on the CMS HQRP Website. CMS will no longer directly display the 7 component measures as individual measures on Hospice Compare, once the Hospice Comprehensive Assessment measure is displayed.

#### **Display of PUF data on Hospice Compare**

- The Hospice PUF contains information on utilization, payment (Medicare payment and standard payment), submitted charges, primary diagnoses, sites of service, and hospice beneficiary demographics organized by CMS Certification Number (6-digit provider identification number) and state.
- CMS will display data from the Hospice PUF on Hospice Compare in the future.

For questions, please contact [regulatory@nhpco.org](mailto:regulatory@nhpco.org) or [quality@nhpco.org](mailto:quality@nhpco.org).

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