

# PUBLICATION

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## **CMS Releases Final Rule Addressing Hospice FY 2017 Wage Index, Payment Rates, and Quality Reporting Requirements [Ober|Kaler]**

August 19, 2016

**On August 5, 2016, CMS released a final rule [PDF] addressing fiscal year (FY) 2017 updates to the hospice wage index, payment rates, and quality reporting requirements. Of note, the final rule increases hospice payments by 2.1 percent for FY 2017. Below, we outline additional key provisions and highlights of this final rule.**

### **Hospice Payment Rate Update**

As noted above, hospice providers will receive a 2.1 percent increase in their payments for FY 2017. This reflects a 2.7 percent inpatient hospital market basket update, a .3 percent point productivity adjustment reduction, and a .3 percentage point adjustment as mandated by the Affordable Care Act. That being said, those hospice providers that fail to meet quality reporting requirements will receive only a .1 percent update (as a result of such hospice providers receiving a 2 percentage point reduction to their payments).

CMS reports the 2017 hospice cap amount as \$28,404.99, based upon the 2016 cap amount updated by the FY 2017 hospice payment update percentage of 2.1 percent.

### **New Hospital Quality Reporting Program Requirements**

In the final rule, CMS adds two new quality measures for FY 2017: (1) the Hospice Visits When Death is Imminent Measure, to assess hospice staff visits to patients and caregivers in the last three and seven days of life; and (2) the Hospice and Palliative Care Composite Process Measure, to assess the percentage of hospice patients who receive care processes consistent with guidelines. CMS notes that it anticipates it will begin public reporting of hospice quality measures via a new Hospice Compare website in calendar year (CY) 2017.

In addition, the final rule sets forth participation requirements for hospices to meet quality reporting requirements for the FY 2019 and FY 2020 annual payment update (APU). Specifically, for FY 2019, hospices must collect CAHPS hospice survey data on an ongoing monthly basis from January 2017 through December 2017. For FY 2020, hospices must collect survey data on an ongoing monthly basis from January through December 2018. For purposes of this survey requirement, hospices must continue to contract with an approved Hospice CAHPS survey vendor and will remain responsible for making sure that the vendor meets all data submission deadlines.

### **New Data Collection Processes**

CMS notes it is considering a new, enhanced data collection mechanism – a hospice patient assessment instrument – in order to provide CMS with “quality data necessary for HQRP requirements and the current function of the Hospice Item Set.” CMS further states that it anticipates the hospice patient assessment instrument will allow it to gather “more detailed clinical information” and align the Hospice Item Set with other post-acute care settings. The new hospice patient assessment instrument would be utilized by CMS in lieu of the current chart abstraction tool.

