



## The Proposed Fiscal Year 2023 Hospice Payment Rule and Quality Updates

April 13, 2022

Theresa M. Forster, NAHC VP for Hospice Policy & Programs  
Katie Wehri, Director of Home Health and Hospice Regulatory Affairs

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## Today's Program

- Wage Index
  - FY2023 Hospice Wage Index
  - Permanent Cap on Wage Index Decreases
- Hospice Payment Update/Payment Rates/Aggregate Cap
- Policy Concerns re Hospice Patterns of Care
- Hospice Quality Reporting Program Update
- Request for Information – Health Equity
- Hospice Survey Reforms – Special Focus Program Update

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# HOSPICE PAYMENT & WAGE INDEX ISSUES

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## FY2023 Hospice Wage Index

- Modifies base rates to reflect local differences in area wage levels
- Hospice Wage Index based on hospital wage data
- RHC/CHC – use wage index for patient residence
- GIP/IRC – use wage index for facility

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## FY2023 Hospice Wage Index

- Wage index values subject to periodic revision
  - Every 10 years in response to the Census
  - Other times if appropriate
- Most recent -- applicable for FY2021
  - Given impact of change, CMS applied 5% cap on losses during first year

## FY2023 Hospice Wage Index

- CMS' goal: address wage index changes with significant negative impact and create instability
- Support greater predictability relative to payments
- Proposal: On a permanent basis, for FY2023 and subsequent years, apply a 5% cap on to all wage index decreases

## FY2023 Hospice Wage Index

- Result: No hospice provider's wage index will be less than 95% of its value in the previous FY
  - Applicable to capped values
  - Applied after calculation of hospice wage index floor
  - Implemented in budget-neutral manner

## FY2023 Payments

- Proposed FY2023 Payment Update Percentage: 2.7%
  - Hospital market basket: 3.1%
  - Less ACA productivity adjustment: 0.4 percentage point

## FY2023 Payments

	FY2022 Payment Rates	Adjustments	Proposed FY2023 Hospice Payment Update	Proposed FY2023 Payment Rates
Routine Home Care (days 1-60)	\$203.40	*SIA budget neutrality factor *Wage index standardization factor	X 1.027	\$209.14
Routine Home Care (days 61+)	\$160.74		X 1.027	\$165.25

## FY2023 Payments

	FY2022 Payment Rates	Adjustments	Proposed FY2023 Hospice Payment Update	Proposed FY2023 Payment Rates
Continuous Home Care = 24 hours	\$1,462.52 (\$60.94 per hour)	*Wage Index Standardization Factor	X 1.027	\$1,505.61 (\$62.73 per hour)
Inpatient Respite Care	\$473.75		X 1.027	\$486.88
General Inpatient Care	\$1,068.28		X 1.027	\$1,098.88

## FY2023 Payments

- FY2023 – 2% reduction for failure to meet HQRP requirements during CY2021
- Proposed hospice Aggregate Cap amount:
  - \$32,142.65

## POLICY CONCERNS RE HOSPICE PATTERNS OF CARE

## Policy Concerns – Length of Stay

- 2020 Utilization:
  - Median LLoS 18 days/Average LLoS 97 days
    - 25% of patients had stays of 5 days or less
    - 75% had stays of 87 days or less
    - Top 10% had stays of more than 287 days

## Policy Concerns – Length of Stay

2020 LoS/Diagnosis		2020 LoS/Location of Care	
Cancer	53 days	Home	90 days
COPD	135 days	Nursing facility	133 days
Neurological conditions	161 days	Assisted living facility	172 days

## Policy Concerns – Length of Stay

- All hospice users in 2020 \$22.4 B.
- Beneficiaries with LLoS > 180 days 13.3 B.
  - Days 1-180 4.2
  - Days 181-365 4.1
  - Days 366+ 4.9
- Beneficiaries with LLoS ≤ 180 days 9.2 B.

## Policy Concerns – Length of Stay

- LoS for hospice patients first receiving care prior to year of death has increased substantially (335 days for decedents in 2020 and 321 days for decedents in 2019)
  - 1/3 of increase occurred in final year of life
  - 2/3 of increase occurred prior to final year of life



## Policy Concerns – Length of Stay

- What leads to long LoS?
  - Uncertainty in establishing 6-month prognosis
  - Financial incentives in the payment system
  - Where referrals come from
  - Variability in interpretations of hospice eligibility criteria

## Policy Concerns – Live Discharge

- 2020 Live discharge rate – 15.4% (2% decline from 2019)
- 10% of hospices have live discharges of 43%+
- Do high live discharge rates signal potential:
  - Quality of care concerns?
  - Program integrity concerns?

## MedPAC – Potential Remedies

- Audit providers with high proportion of long-stay (180+ days) patients
- Investigate long LoS in ALFs
- Investigate long LoS and high live discharge rates in over-Cap hospices
- Audit providers with a high share of payments from patients on hospice prior to year of death
- Compliance threshold – like IRF 60% rule or LTCH 50% rule
- Physician education – how timing of their hospice referrals compares with other physicians

## HOSPICE QUALITY UPDATE

## Quality Update

- No new quality measures
- Annual payment update penalty increases to 4% for FY 2024
- CY 2022
  - Composite process measure ( HIS)
  - Hospice Visits in Last Days of Life (HVLDDL) - May
  - Hospice Care Index (HCI) - May
  - CAHPS Hospice Survey

## Quality Update

- CAHPS Hospice Survey Star Rating (August)
- HOPE – Hospice Outcomes & Patient Evaluation
  - provide quality data for the HQRP requirements through standardized data collection;
  - support survey and certification processes; and
  - provide additional clinical data that could inform future payment refinements

## Quality Update

- CAHPS hospice survey mode experiment
  - impact of a web-based mode on survey response rates and scores
  - examination of the effects of a shortened survey on response rate and scores;
  - assessment of the measure properties of a limited number of supplemental survey items suggested by stakeholders; and
  - calculation of item-level mode adjustments for the shortened survey in the currently-approved modes of CAHPS Hospice Survey administration, as well as the proposed new web-based mode.

## REQUEST FOR INFORMATION

## Health Equity RFI

The attainment of the highest level of health for all people, where everyone has a fair and just opportunity to attain their optimal health regardless of race, ethnicity, disability, sexual orientation, gender identity, socioeconomic status, geography, preferred language, or other factors that affect access to care and health outcomes

Executive Order 13985, on the Advancement of Racial Equity and Support for the Underserved Communities

## Health Equity RFI

Supporting providers in

- quality improvement activities to reduce health inequities,
- enabling beneficiaries to make more informed decisions, and
- promoting provider accountability for health care disparities.

## Health Equity RFI

Soliciting comment on four questions:

1. What efforts does your hospice employ to recruit staff, volunteers, and board members from diverse populations to represent and serve underserved populations? How does your hospice attempt to bridge any cultural gaps between your personnel and beneficiaries/clients? How does your hospice measure whether this has an impact on health equity?
2. How does your hospice currently identify barriers to access in your community or service area? What are barriers to collecting data related to disparities, social determinants of health, and equity? What steps does your hospice take to address these barriers?

## Health Equity RFI

Soliciting comment on four questions:

3. How does your hospice collect self reported data such as race/ethnicity, veteran status, socioeconomic status, housing, food security, access to interpreter services, caregiving status, and marital status used to inform its health equity initiatives?
4. How is your hospice using qualitative data collection and analysis methods to measure the impact of its health equity initiatives?

## Structural Composite Measure RFI

Considering a measure that could include:

- organizational activities to address access to and quality of hospice care for underserved populations
- hospice reported data on hospice activities to address underserved populations' access to hospice care

## Structural Composite Measure RFI

- Hospices could submit data on their activities in the following domains and receive points
- Seeking input on the domains and scoring

## Structural Measure RFI

**Domain 1: Hospice commitment to reducing disparities is strengthened when equity is a key organizational priority.**

Candidate domain 1 could be satisfied when a hospice submits data on their actions regarding the role of health equity and community engagement in their strategic plan.

Hospices could self-report data in the reporting year about their actions in each of the following areas, and submission of data for all elements could be required to qualify for the measure numerator.

## Structural Measure RFI

Domain 1

- Hospice attests whether its strategic plan includes approaches to address health equity in the reporting year.
- Hospice reports community engagement and key stakeholder activities in the reporting year.
- Hospice reports on any attempts to measure input from patients and caregivers about care disparities they may experience and recommendations or suggestions.



## Structural Measure RFI

**Domain 2: Training board members, leaders, staff and volunteers in culturally and linguistically appropriate services (CLAS),<sup>27</sup> health equity, and implicit bias is an important step hospices take to provide quality care to diverse populations.**

Candidate domain 2 could focus on hospices' diversity, equity, inclusion and CLAS training for board members, employed staff, and volunteers by capturing the following self-reported actions in the reporting year. Submission of relevant data for all elements could be required to qualify for the measure numerator.

## Structural Measure RFI

### Domain 2

- Hospice attests whether employed staff were trained in CLAS and culturally sensitive care mindful of social determinants of health (SDOH) in the reporting year. Example data include specific training programs or training requirements for staff.
- Hospice attests whether it provided resources to staff and volunteers about health equity, SDOH, and equity initiatives in the reporting year. Examples include the materials provided, webinars, or learning opportunities.

## Structural Measure RFI

**Domain 3: Leaders and staff could improve their capacity to address disparities by demonstrating routine and thorough attention to equity and setting an organizational culture of equity.**

This candidate domain could capture activities related to organizational inclusion initiatives and capacity to promote health equity. Examples of equity-focused factors include proficiency in languages other than English, experience working with populations in the service area, experience working on health equity issues, and experience working with individuals with disabilities.

## Structural Measure RFI

### Domain 3

- Hospice attests whether equity focused factors were included in the hiring of hospice senior leadership, including chief executives and board of trustees, in the previous reporting year.
- Hospice attests whether equity focused factors were included in the hiring of hospice senior leadership, including chief executives and board of trustees, is more reflective of the services area patient than in the previous reporting year. •
- Hospice attests whether equity focused factors were included in the hiring of direct patient care staff (for example, RNs, medical social workers, aides, volunteers, chaplains, or therapists) in the previous reporting year.
- Hospice attests whether equity focused factors were included in the hiring of indirect care or support staff (for example. administrative, clerical, or human resources) in the previous reporting year

# HOSPICE SURVEY REFORMS

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## Special Focus Program

- CMS will initiate a Technical Expert Panel (TEP)
- CY 2022
- Proposal implementing a SFP in FY2024 hospice proposed rule

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## Resources

- Proposed FY2023 Hospice Wage Index, Payment Rate Update, and Quality Reporting Requirements: <https://www.govinfo.gov/content/pkg/FR-2022-04-04/pdf/2022-07030.pdf>
- MedPAC 2022 Report to Congress, Hospice Chapter: [https://www.medpac.gov/wp-content/uploads/2022/03/Mar22\\_MedPAC\\_ReportToCongress\\_Ch11\\_SEC.pdf](https://www.medpac.gov/wp-content/uploads/2022/03/Mar22_MedPAC_ReportToCongress_Ch11_SEC.pdf)

## Upcoming Events

### 2022 Financial Management Conference & Expo

July 24–26 Las Vegas, Nevada

### 2022 Home Care and Hospice Conference and Expo

October 23-25 St. Louis, Missouri

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## Contact Information

### **Theresa M. Forster**

VP for Hospice Policy & Programs  
NAHC  
[tmf@nahc.org](mailto:tmf@nahc.org)

### **Katie Wehri**

Director of Home Health & Hospice  
Regulatory Affairs  
NAHC  
[Katie@nahc.org](mailto:Katie@nahc.org)