

FY 2022 MEDICARE HOSPICE PROSPECTIVE PAYMENT SYSTEM PROPOSED RULE (CMS-1754-P)

On April 8, the Centers for Medicare & Medicaid Services (CMS) published its annual proposed rule updating the Medicare Hospice Prospective Payment System (PPS) wage index, payment rates, and quality-reporting program effective Oct. 1, 2021 through Sept. 30, 2022. CMS estimates an **increase** in Medicare payments for U.S. hospices of approximately 2.3% or \$530 million compared with federal fiscal year (FFY) 2021. Comments are due June 7, 2021.

Proposed Market Basket Update (*Federal Register (FR) pp. 19721-19723*): The overall proposed rate change includes a 2.5% inpatient hospital market basket increase and the Affordable Care Act (ACA)-mandated productivity adjustment reduction of 0.2 percentage points. The proposed hospice cap amount for FFY 2022 is \$31,389.66 compared to the final FFY 2021 cap amount of \$30,683.93. The proposed labor and non-labor portions for FFY 2022 are as follows:

Category of Hospice Care	Labor Portion	Non-Labor Portion
Routine Home Care (RHC)	64.7%	35.3%
Continuous Home Care (CHC)	74.6%	25.4%
General Inpatient Care (GIC)	62.8%	37.2%
Inpatient Respite Care (IRC)	60.1%	39.9%

The proposed payment rates for FFY 2022 are as follows:

Code	FY 2021 Payment Rates	Proposed FY 2022 Payment Rates
651: RHC (days 1-60)	\$199.25	\$203.81
651: RHC (days 61+)	\$157.49	\$161.02
652: CHC	\$1,432.41 (\$59.68 per hour)	\$1,465.79 (\$61.07 per hour)
655: IRC	\$461.09	\$474.43
656: GIC	\$1,045.66	\$1,070.35

Proposed Changes to Hospice Conditions of Participation (CoPs) (*FR p. 19726*): Under the COVID-19 public health emergency (PHE), CMS waived hospice aide competency testing requirements, allowing for the use of pseudo-patients. CMS proposed making this PHE waiver permanent, allowing the use of a pseudo-patient for hospice aide competency training indefinitely.

Additionally, CMS proposed hospices conduct a competency evaluation related to deficiency and related skill(s) noted during a hospice aide supervisory visit. This would narrow the competency evaluation to focus on areas and related skills where a hospice aide is specifically deficient, as opposed to current evaluations which assess multiple areas.

FFY 2022 Hospice Quality Reporting Program (HQR) (*FR p. 19703*): Since FFY 2014, the ACA requires hospice providers to collect and submit quality data, and there is a two percent

payment penalty if hospice providers do not comply. With the Consolidated Appropriations Act, 2021, the penalty changes to four-percentage points beginning in FY 2024.

Proposed addition of Hospice Care Index Measure (FR p. 19740): CMS proposed a new claims-based quality measure, Hospice Care Index (HCI). HCI would provide more information on the care provided during a hospice stay, helping patients and caregivers to make informed health care decisions. If finalized, CMS would publically report HCI on or after May 2022.

Proposed addition of CAHPS, Hospice Survey Star Rating to Care Compare (FR p. 19744): CMS proposed publicly reporting the Consumer Assessment of Healthcare Providers and Systems (CAHPS), Hospice Star Rating on *Care Compare* no sooner than FY 2022. CMS proposed a similar calculation and display as Hospital CAHPS and Home Health CAHPS.

Proposed removal of Hospice Item Set Process Measures (FR p. 19730): CMS proposed removing the seven Hospice Item Set (HIS) measures (National Quality Forum (NQF) #1617, NQF #1634, NQF #1637, NQF #1638, NQF #1639, NQF #1641, and NQF #1647) from the HQRP. The Hospice Comprehensive Assessment Measure (NQF #3235) is also publicly reported and assesses the same topics as the HIS.

FFY 2022 Proposed Wage Index (FR pp. 19719-19720): The approved CBSA delineations included in the FFY 2021 Final Rule would not alter any geographic areas for the wage index calculation in FFY 2022.

Request for Information on Fast Healthcare Interoperability Resources (FHIR) in Support of Digital Quality Measurement in Post-Acute Care Quality Reporting Programs (FR pp. 19764-19766): CMS requested additional information that will allow CMS' quality measurement enterprise to be digital, including:

- What EHR/IT systems do you use, and do you participate in a health information exchange (HIE)?
- How do you currently share information with other providers and is there any best practice in the market?
- In what ways could CMS incentivize or reward innovative uses of health IT that could reduce burden for post-acute care settings?
- What additional resources or tools would post-acute care settings and health IT vendors find helpful to support the testing, implementation, collection, and reporting of all measures using FHIR standards via secure APIs to reinforce the sharing of patient health information between care settings?
- Are any vendors interested in or willing to participate in pilots or models of alternative approaches to quality measurement that would align standards for quality data collection across care settings to improve care coordination, such as sharing patient data via secure FHIR API as the basis for calculating and reporting digital measures?
- What could be the potential use of FHIR digital quality measures (dQMs) adopted across all QRPs?

Request for Information on Closing the Health Equity Gap in Post-Acute Care Quality Reporting Programs (FR pp. 19766-19767): CMS proposed examining measures adopted on the standardized patient assessment data elements (SPADEs) to understand whether any aspects

apply to the hospice setting. If they do, CMS would consider including certain SPADEs to address health equity gaps in the HQRP.

CMS requested comments on the following:

- Recommendations for quality measures or measurement domains that address health equity;
- Additional items, including SPADEs, that could be used to assess health equity in the care of hospice patients;
- Recommendations for how CMS can promote health equity in outcomes among hospice patients;
- Methods that commenters or their organizations use in employing data to reduce disparities and improve patient outcomes, including data sources used; and
- Any existing challenges providers encounter for effective capture, use, and exchange of health information, such as data on race, ethnicity, and other social determinants of health, to support care delivery and decision-making.

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Sources:

Centers for Medicare & Medicaid Services. Medicare Program; FY 2022 Hospice Wage Index and Payment Rate Update. April 7, 2021. Available from: https://www.federalregister.gov/public-inspection/2021-07344/medicare-program-fy-2022-hospice-wage-index-and-payment-rate-update-hospice-conditions-of#_blank. Accessed April 13, 2021.