Testing Hospice Payment Reform.
In the FY 2016 Notice of Proposed Rulemaking (NPRM), CMS proposes a new two-tiered payment system for hospice for the routine home care rate: a higher payment rate for a patient's 1st-60th days in hospice, and a lower rate for days 61+ of care. This is the first major change to hospice payment in over 30 years.

Many hospice providers have significant concerns about the ability of CMS, the Medicare Administrative Contractors (MACs), and hospices to be able to put in place and test the system changes, and conduct the necessary education and training in order for these changes to be implemented on October 1, 2015, without considerable problems.

This legislation:
- Calls for a 1-year demonstration program to test any payment methodology reform proposed by CMS. CMS shall select one MAC to conduct the demonstration program with all hospices under that MAC’s jurisdiction.
- No later than 6 months after the completion of the demonstration program the Secretary shall submit to Congress a report containing the results of the evaluation, together with recommendations for such legislation and administrative action as the Secretary determines appropriate.
- Unless Congress acts to direct otherwise, the revisions to the methodology for determining hospice payment rates proposed by CMS pursuant to the FY 2016 Hospice Wage Index and Payment Rate Update, and revised to the extent CMS deems necessary based on their findings under the demonstration, shall be fully implemented no later than FY 2018.

Increasing Hospice Program Integrity.
These recommendations promote continued patient choice, and preserve the public’s existing trust in, and support for, the hospice provider community as it is called upon to provide high quality service to an increasing number of beneficiaries. These proposals are specific to preserving the high level of program integrity that has been synonymous with the Medicare Hospice Benefit since its original implementation.

This legislation:
- Expands CMS medical review of providers identified as having concerning results on multiple data points.
- Directs the Secretary to develop and publish guidance, as appropriate, for hospice programs to establish interventions to reduce likelihood of ER visits and hospital admissions for patients identified to be at high risk.
- Expands the pre-hospice evaluation code to allow it to be provided by additional clinical staff from the hospice interdisciplinary team.
- Requires, as part of a hospital discharge planning process, that any patient referred for possible admission to hospice be informed of all Medicare certified hospice programs in the service area who ask to be included, as well as noting those with whom the hospital has an ownership relationship.

For more information, contact Drew Wayne in Congressman Reed’s office, or Lakecia Foster in Congressman Thompson’s office.