NATIONAL ASSOCIATION FOR HOME CARE & HOSPICE

Key Hospice Payment and Regulatory Provisions in Health Care Reform – April 1, 2010

Patient Protection and Affordable Care Act (H.R. 3590) as amended by the Manager's Amendment (S.AMDT. 2786) and the Health Care and Education Affordability Reconciliation Act of 2010 (H.R. 4872)
1. **Incorporate annual productivity adjustment into market basket update beginning with FY 2013.** (Estimated 1 percentage point reduction)
2. **In FY 2013-2019, reduces hospice market basket update by 0.3 percentage point.** For each of FY 2014 – 2019, if growth in insured population does not exceed 5% then no reduction is imposed in that subsequent year. (Sec. 3401, Sec. 10319 of Manager's Amdt.) (Combination of productivity adjustment and market basket reduction estimated to reduce projected hospice spending 7.0 billion over 10 years)
3. **Medicaid Pediatric Hospice** – Medicaid eligible children would be able to receive hospice services without forgoing any other service to which the child is entitled under Medicaid. (Sec. 2302)
4. **Quality Reporting Program** – The Secretary of HHS would be required to publish, by Oct. 1, 2012, quality measures for reporting by hospices in FY 2014. The measures would cover all dimensions of quality as well as efficiency of care. Hospice failure to report quality measures would result in a 2.0 percentage point cut in the annual market basket update. (Sec. 3004)
5. **Payment Reform** – Requires the Secretary of HHS to collect additional data and information, effective Jan. 1, 2011, in order to revise payments (on a budget neutral basis) for hospice care. Payment revisions would go into effect no earlier than Oct. 1, 2013. (Sec. 3132(a)) (Estimated to reduce hospice spending by 100 million over 10 years) Also requires the Secretary (on or after Jan. 1, 2011) to require a hospice physician or advanced practice nurse to determine, through a face-toface encounter, a patient's continued hospice eligibility prior to the 180th day recertification, and for each certification thereafter, and attest that such a visit took place. In the case of hospice programs for which the number of patient stays in excess of 180 days meet a certain threshold (as determined by the Secretary), stays in excess of 180 days must be reviewed by CMS or its contractors for medical necessity. (Sec. 3132(b))
6. **Medicare Hospice Concurrent Care (HCC)** 3-year demonstration program would allow patients eligible for hospice care to also concurrently receive all other Medicare-covered services. This demonstration is required to be budget neutral and expected to improve patient care, quality of life and cost-effectiveness. (Sec. 3140)
7. **Compliance and Penalties** – Requires background screening and credentialing of provider and supplier owners and managers, require compliance plans, authorize a temporary moratorium on new providers. (Sec. 6401)
8. **Value-Based Purchasing Pilot Program** – Not later than January 1, 2016 the Secretary shall establish a pilot program to test the implementation of a value-based purchasing program for payments under hospice. (Sec. 10326 of Manager's Amdt.)
9. **Criminal background check pilot program expansion** (Sec. 6201)
10. **Independent Payment Advisory Board** – Establish an Independent Payment Advisory Board comprised of 15 members to submit legislative proposals containing recommendations to reduce the per capita rate of growth in Medicare spending if spending exceeds a target growth rate. Beginning January 15, 2014, in years when Medicare costs are projected to be unsustainable, the Board's proposals will take effect unless Congress passes an alternative measure that achieves the same level of savings. The Board would be prohibited from making proposals that ration care, raise taxes or Part B premiums, or change Medicare benefit, eligibility, or cost-sharing standards. Through 2019 Medicare providers that receive a reduction to their inflationary payment updates in excess of the productivity adjustment would be exempted from proposals to reduce payment rates (would exempt hospice if the .3 percent reduction in the hospice inflation update is triggered—see # 2). (Sec. 3403)
11. **Education and Training Programs in Pain Care** – The Secretary may make awards of grants, cooperative agreements, and contracts to hospices for the development and implementation of programs to provide education and training to health care professionals in pain care. (Sec. 4305)