

## **FY 2023 Proposed Rule**

### **Medicare Program; FY 2023 Hospice Wage Index and Payment Rate Update and Hospice Quality Reporting Requirements**

*To: NHPCO Provider Members*

*From: NHPCO Policy Team*

*Date: April 1, 2022*

*(A comprehensive analysis following our Regulatory Alert of March 30, 2022)*

#### **Summary at a Glance**

The [FY 2023 Hospice Wage Index proposed rule](#) went on display for public inspection on the Federal Register website on Wednesday, March 30, 2022. The proposals for fiscal year 2023 include the following:

- Proposed rate increase of 2.7 percent. Rates for each level of care are available below.
- Cap amount: The proposed hospice cap amount for the FY 2023 cap year is \$32,142.65, which is equal to the FY 2022 cap amount (\$31,297.61) updated by the proposed FY 2023 hospice payment update percentage of 2.7 percent.
- Proposed permanent 5% maximum decrease when the wage index value decreases from year-to-year, regardless of the reason for the change
- The Hospice Outcomes & Patient Evaluation (HOPE) tool is still under review.
- The Hospice CAHPS® tool is proposed to be available in electronic format.
- CMS has announced a Technical Expert Panel (TEP) to discuss the implementation of the Hospice Special Focus Program with regulatory guidance to be proposed in the FY 2024 Hospice Wage Index proposed rule.
- Of note: CMS did not publish data trends in this proposed rule.

Comments are due no later than May 31, 2022, with file code: CMS-1773-P

## NHPCO Analysis

### Proposed FY 2023 Hospice Wage Index and Rate Update

On Wednesday March 30, 2022, the FY 2023 Hospice Wage Index and Payment Update proposed rule went on display on the Federal Register website for public inspection.

- The proposed rate increase for FY 2022 is **2.7%**. The proposed hospice cap amount for FY 2022 is **\$32,142.65**.
- CMS proposes a permanent **5%** cap on Wage Index decrease year-to-year regardless of the reason for the change.
- NHPCO will prepare the **FY 2023 Proposed Wage Index State/County Rate Chart**, which will be found on the [Regulatory Medicare Reimbursement](#) page of the website for members. Please note: CMS has not yet posted the wage index values for the proposed rule and rate charts will be prepared once the wage index values are available.
- The **CMS charts showing the current and proposed rates for each level of care**, both for hospices that do and do not submit quality data, are included below.

### **Proposed FY 2023 Hospice Payment Rates (with Quality Reporting)**

Code	Description	FY 2022 Payment Rates	Wage Index Standardization Factor	Proposed FY 2023 Hospice Payment Update	Proposed FY 2023 Payment Rates
651	Routine Home Care (days 1-60)	\$203.40	X 1.0004	X 1.027	\$209.14
651	Routine Home Care (days 61+)	\$160.74	X 1.0003	X 1.027	\$165.25
652	Continuous Home Care Full rate = 24 hours of care	\$1,462.52 (\$60.94 per hour)	X 1.0024	X 1.027	\$1,505.61 (\$62.73 per hour)
655	Inpatient Respite Care	\$473.75	X 1.0007	X 1.027	\$486.88
656	General Inpatient Care	\$1,068.28	X 1.0016	X 1.027	\$1,098.88

**Proposed FY2023 Hospice Payment Rates for Hospices that DO NOT Submit the Required Quality Data**

Code	Description	FY 2022 Payment Rates	Wage Index Standardization Factor	Proposed FY 2023 Hospice Payment Update of 2.7% minus 2 percentage points = +0.7%	Proposed FY 2023 Payment Rates
651	Routine Home Care (days 1-60)	\$199.83	X 1.0008	X 1.007	\$205.07
651	Routine Home Care (days 61+)	\$157.87	X 1.0007	X 1.007	\$162.03
652	Continuous Home Care Full rate = 24 hours of care	\$1,437.14 (\$59.88 per hour)	X 1.0024	X 1.007	\$1,476.29 (\$61.51 per hour)
655	Inpatient Respite Care	\$465.16	X 1.0007	X 1.007	\$477.40
656	General Inpatient Care	\$1,049.43	X 1.0016	X 1.007	\$1,077.48

**Permanent 5% Cap When Wage Index Values Decrease Year-by-Year**

CMS has proposed a 5% cap on wage index decreases with the goal to alleviate short term instability and fluctuations in payments for providers. The cap would apply for FY 2023 calculations and all subsequent fiscal years. The 5% cap would apply to the prior year’s wage index.

**Proposed FY 2023 Hospice Payment Update Percentage and Cap Amount**

CMS proposes:

1. Update hospice payments using the methodology outlined and apply the 2018-based IPPS market basket update for FY 2023 of 3.1%, reduced by the statutorily required productivity adjustment of 0.4 percentage point along with the wage index budget neutrality adjustment to update the payment rates
2. Use the FY 2023 hospice wage index which uses the FY 2023 pre-floor, pre-reclassified IPPS hospital wage index as its basis.
3. FY 2023 cap amount is updated at the same percentage (2.7%) as the rates, at **\$32,142.54** for FY 2023.

**Updates to the Hospice Quality Reporting Program**

**Hospice Outcomes & Patient Evaluation (HOPE) Update**

HOPE is “an on-going patient assessment instrument designed to capture patient and family care needs throughout the hospice stay.” Additional testing and review of the tool will continue through FY 2023. Comments about HOPE can be sent to [HospiceAssessment@cms.hhs.gov](mailto:HospiceAssessment@cms.hhs.gov) and additional opportunities for

stakeholder engagement can be found on the [CMS website](#).

#### **Update on Future Quality Measure (QM) Development**

CMS is requesting comment on “health equity initiatives and a structural composite measure concept to inform future measure development.” CMS has convened Technical Expert Panels (TEPs) to review potential new process measures which may be proposed in future rulemaking. CMS continues to consider quality measures utilizing multiple data sources.

#### **Update to CAHPS® Hospice Survey Participation Requirements for the FY 2023 APU and Subsequent Years**

CMS is testing a web-based mode to CAHPS® Hospice Survey and its effect on survey response and scores. Results of this testing are ongoing and will be communicated through regular stakeholder communication. No changes are being proposed to this rule.

#### **Volume-Based Exemption for CAHPS® Hospice Survey Data Collection and Reporting Requirements**

There will be no changes to the volume-based exemption for the CAHPS® Hospice Survey Data Collection and Reporting requirements.

#### **Newness Exemption for CAHPS Hospice Survey Data Collection and Public Reporting Requirements**

CMS will continue the newness exemption for FY 2023 and all subsequent years. Providers are encouraged to keep their letter with their CMS Certification Number (CCN).

#### **Hospice CAHPS® Survey Star Ratings**

CAHPS star rating will be publicly reported on Care Compare on Medicare.gov starting in August 2022. Star rating appeared in preview reports for the November 2021 and March 2022 preview periods.

#### **Request for Information related to the HQRP Health Equity Initiative**

To support the development of policies and procedures to support health equity, CMS requests comments on the following 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?
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?

CMS is also seeking comment on a potential structural composite measure based on hospices submitting documentation and activities related to specific domains. Specifically, CMS is seeking comment on the content of the domains, how to score domains, and how completed scoring should be published. The

potential domains are:

1. **Domain 1:** Hospice commitment to reducing disparities is strengthened when equity is a key organizational priority.
2. **Domain 2:** Training board members, leaders, staff and volunteers in culturally and linguistically appropriate services (CLAS), health equity, and implicit bias is an important step hospices take to provide quality care to diverse populations.
3. **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.

### **CAA 2021, Section 407. Establishing Hospice Program Survey and Enforcement Procedures Under the Medicare Program; provisions update**

CMS is gathering a Technical Expert Panel (TEP) during calendar year 2022 to develop a proposal for implementing a hospice Special Focus Program (SFP) as part of the new hospice survey and enforcement requirements. The SFP will be for low performing hospices, implement enforcement remedies such as civil money penalties or termination of Medicare certification. The TEP will focus on establishing the hospice SFP for the FY 2024 proposed rule.

#### **Next Steps**

NHPCO will begin our work preparing formal comments in coordination with the NHPCO Regulatory Committee and the national hospice stakeholder organizations. NHPCO welcomes thoughts, input, and suggestions during this process. Comments are due on **May 31, 2022**.

Please submit in writing to [Regulatory@NHPCO.org](mailto:Regulatory@NHPCO.org) with “FY 2023 Wage Index and Payment Update Comment” in the subject line.

Questions or comments related to quality should be directed to [quality@nhpco.org](mailto:quality@nhpco.org).

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