

Hospice Forum – May 2010

A Chronology of Hospice Changes in Health Care Reform

The Patient Protection and Affordable Care Act (PPACA), Public Law 111-148, and the Health Care and Education Reconciliation Act of 2010 (HCERA), Public Law 111-152, together comprise the final health care reform legislation enacted in March 2010. Their combined provisions will result in considerable change throughout the nation's health care spectrum. But for the Medicare hospice program, health reform portends the most far-reaching changes to be implemented since the establishment of the hospice benefit close to 30 years ago, and provides insight into the vision that policymakers have for the future of this important program.

Most analyses of PPACA/HCERA provide segmented descriptions of the provisions affecting different sectors of the Medicare program. With this Hospice Forum, we will attempt to provide a summary of the changes hospices can expect as the result of PPACA/HCERA based on chronological effective dates to assist hospice organizations in planning for the many modifications that will unfold over the coming years. Additional health reform provisions of interest to the hospice field are listed below the chronology.

January 1, 2011 – Continued Eligibility for Medicare Hospice Services. The Secretary of HHS must require a hospice physician or advanced practice nurse to determine, through a face-to-face 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))

January 1, 2011 – Additional Data Collection from Medicare Hospice Programs. Requires the Secretary of HHS to collect additional data and information to be used for payment system revisions. (Section 3132(a))

October 1, 2012 – Medicare Market Basket Update Reductions (applicable for FY 2013 through 2019)/Productivity Adjustments. The Secretary of HHS must, beginning with Fiscal Year 2013, impose annually a productivity adjustment (reduction roughly estimated at 1 percent) to the market basket inflation update. Additionally, for FYs 2013 through 2019, the hospice market basket update would be reduced by an additional 0.3 percentage point. However, for FY2014 through 2019, if growth in the previous year's insured population does not exceed 5 percent, no 0.3 percent reduction is imposed in that year. (Sec. 3401(g); HCERA Sec. 10319(f))

October 1, 2012 – Publication of Quality Measures. By October 1, 2012 The Secretary of HHS must publish quality measures for reporting by hospices in FY2014. The measures would cover all dimensions of quality as well as efficiency of care. (Sec. 3004(c))

October 1, 2013 – Medicare Payment Revisions. Effective no earlier than October 1, 2013, payment system revisions for hospice services will be implemented on a budget-neutral basis. (Sec. 3132(a))

October 1, 2013 – Reporting of Quality Measures. Hospice programs must begin to report quality measures; failure to do so would result in a 2.0 percentage point cut in the annual Medicare market basket update. (Sec. 3004(c))

January 1, 2016 – Pilot Testing of Pay-for-Performance. No later than this date, the Secretary of HHS is required to establish a pilot program to test value-based purchasing under hospice. (HCERA Sec. 10326)

Other Provisions of Interest

Medicaid/CHIP Pediatric Hospice. Medicaid or CHIP-eligible children may receive hospice services without forgoing other services to which they are entitled under Medicaid/CHIP. (Sec. 2302)

Medicare Hospice Concurrent Care Demonstration. Three-year demonstration program would allow hospice patients to 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)

Criminal Background Check Pilot Program Expansion. Extends existing pilot program for background checks on direct patient access employees of long-term care facilities and providers to a nationwide program (based on individual state choice of participation). Definition of long-term care facility or provider includes providers of hospice care. (Sec. 6201)

Independent Payment Advisory Board. Establishes an Independent Payment Advisory Board (IPAB) to submit legislative proposals containing recommendations to reduce the per capita rate of growth in Medicare spending if spending is expected to exceed a target growth rate. Beginning January 15, 2014, in years when Medicare costs are projected to be unsustainable, IPAB proposals will take effect unless Congress passes an alternative measure that achieves the same level of savings. IPAB would be prohibited from making proposals that ration care, raise taxes or Part B premiums, or change Medicare benefit, eligibility, or cost-sharing standards. IPAB would be prohibited from recommending payment reductions for providers during a year in which those providers' market basket updates are scheduled for reduction beyond the annual productivity adjustment. (Sec. 3403)

Advancing Research and Treatment for Pain Care Management. Pending appropriations, the Secretary of HHS shall convene a Conference on Pain in conjunction with the Institute of Medicine. The Director of NIH is encouraged to engage in an aggressive program of pain research through the Pain Consortium. The Secretary of HHS shall establish no later than one year after enactment an Interagency Pain Research Coordinating Committee. The Secretary may make awards of grants, cooperative agreements, and contracts to hospices and other entities for the development and implementation of programs to provide education and training to health care professionals in pain care. (Sec. 4305)

Grants for Postpartum Depression Services. Allows the Secretary of HHS to establish under the Material and Child Health Services Block Grant projects to provide services to individuals with a postpartum condition and their families. Definition of "eligible entities" to receive grants includes hospices. (Sec. 2952(b))

Compliance and Penalties. Requires background screening and credentialing of provider and supplier owners and managers; requires compliance plans; provides authority to the Secretary of HHS to impose a temporary moratorium on new providers. (Sec. 6401)