CHAPCA

FY 2025 HOSPICE WAGE INDEX ANALYSIS ALERT

April 3, 2024

TO: CHAPCA Provider Members

FROM: CHAPCA Regulatory Team

RE: Detailed analysis of FY 2025 Hospice Wage Index and Payment Rate Update, Hospice Conditions of Participation Updates, and Hospice Quality Reporting Program Requirements

On March 28, 2024, the Federal Register published to public inspection copy of the CMS 1810-P, FY 2025 Hospice Wage Index and Payment Rate, Hospice Conditions of Participation, and Hospice Quality Reporting Program Requirements proposed rule. Highlights and details of the proposed rule follow. A link to the county rate chart for California is also included.

The CHAPCA Public Policy Committee will be considering comments at the April and May meetings. **Comments are due May 28, 2024.** Comments and ideas can be submitted to education@calhospice.org with "FY 2025 wage index proposed rule" in the subject line.

Highlights of the Proposed Rule

- **2.6% rate increase** for hospices that participate in the Hospice Quality Reporting Program (HQRP). The rate for hospices not participating in HQRP is a -1.4% decrease.
- CHAPCA has prepared a California hospice **rate chart** for all counties and all levels of care. Click Here to access it.
- **Core Based Statistical Areas (CBSAs**) have changed, due to the 2020 US Census. Check the California Proposed Hospice County Rate Charts for details on the changes in California.
- The **aggregate cap** amount for 2025 is $34,364.85.
- **No data and trends section** in this year's proposed rule. CHAPCA will watch for the posting of data on the CMS website and will report on their findings.
- **Clarifications to regulatory text:**
  - Proposed changes in the Medical Director Cop and clarifying changes in certification and admission to hospice care so that the language is consistent.

- Clarification of the differences between the "election statement," which the beneficiary signs, and the "notice of election," which the hospice submits within 5 days of the hospice election.

- **Changes to the Hospice Quality Reporting Program (HQRP)**
- **HOPE patient level data collection tool is announced.**
  - Start date: On or after October 1, 2025
  - HOPE will replace the HIS upon implementation in 2025.
- **Two new process quality measures, no sooner than CY 2027**
  - Timely Reassessment of Pain Impact
  - Timely Reassessment of Non-Pain Symptom Impact
  - Technical corrections proposed to hospice regulations.
- **Changes to CAHPS Hospice Survey**
- **Requests for information (RFIs)**
  - Potential policy for higher hospice costs for high intensity palliative care treatments, such as palliative radiation, chemotherapy, transfusions, and dialysis. CMS is requesting input on questions in the proposed rule.
  - Health equity RFI related to HQRP. Four domains are relevant to the PAC and hospice care settings, including housing instability, food insecurity, utility challenges, and transportation challenges. CMS is requesting input on questions posed in the proposed rule about health equity. CHAPCA's comments will be part of the CHAPCA comment letter on the proposed rule.

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1. PAYMENT RATES AND CAP

- **Payment Increase and Rates:** CMS has proposed a **2.6% increase in payments** for hospices that participate in the Hospice Quality Reporting Program (HQRP). The payments for each level of care for participating hospices are below in green. The rate increase (decrease) for hospices that did not meet the requirements for HQRP is (-1.4%), calculated as 2.6% minus 4 percentage points = -1.4%. Those payment calculations can be found in the orange tables below.

- **Hospice Cap Amount for FY 2025: $34,364.85**, equal to the FY 2024 cap amount of ($33,494.01) updated by the proposed FY 2025 hospice payment update percentage of 2.6 percent. Congress has included an extension of the aggregate cap calculation to be tied to the payment update percentage. The calculation is now in place until 2033.

- **Wage Index Values:** Each county's rates are based on the wage index value published by CMS. The proposed hospice wage index file applicable for FY 2025

(October 1, 2024 through September 30, 2025) is available on the CMS website at the Hospice Regulations and Notices section of the CMS website as a download.

- **Get the extras:** CHAPCA has done a rate calculation chart using the published wage index values for each county in California, which can be found Click Here.

PROPOSED FY 2025 Hospice RHC Payments for Hospices Participating in the Hospice Quality Reporting Program

Code	Description	FY 2024 Payment Rates	SIA Budget Neutrality Factor	Wage Index Standardization Factor	FY 2025 Hospice Payment Update	PROPOSED FY 2025 Payment Rates
651	**Routine Home Care (Days 1-60)**	$218.33	1.0009	0.9983	1.026	$223.83
651	**Routine Home Care (Days 61+)**	$172.35	1.0000	0.9975	1.026	$176.39

PROPOSED FY 2025 Hospice CHC, IRC, and GIP Payment Rates for Hospices Participating in the Hospice Quality Reporting Program

Code	Description	FY 2024 Payment Rates	Wage Index Standardization Factor	FY 2025 Hospice Payment Update	PROPOSED FY 2025 Payment Rates
652	**Continuous Home Care Full Rate = 24 hours of care**	$1,565.46	1.0026	1.026	$1,610.34 ($67.10 per hour)
655	**Inpatient Respite Care**	$507.71	0.9947	1.026	$518.15
656	**General Inpatient Care**	$1,145.31	0.9931	1.026	$1,166.98

PROPOSED FY 2025 Hospice RHC Payment Rates for Hospices that DO NOT Submit Required Hospice Quality Data

Code	Description	FY 2024 Payment Rates	SIA Budget Neutrality Factor	Wage Index Standardization Factor	FY 2025 Hospice Payment Update of 2.6% minus 4 percentage points = -1.4%	PROPOSED FY 2025 Payment Rates
651	Routine Home Care (Days 1-60)	$218.33	1.0009	0.9983	0.9860	$215.10
651	Routine Home Care (Days 61+)	$172.35	1.0000	0.9975	0.9860	$169.51

PROPOSED FY 2025 Hospice RHC Payment Rates for Hospices that DO NOT Submit Required Hospice Quality Data

Code	Description	FY 2024 Payment Rates	Wage Index Standardization Factor	FY 2025 Hospice Payment Update of 2.6% minus 4 percentage points = -1.4%	PROPOSED FY 2025 Payment Rates
652	Continuous Home Care Full Rate = 24 hours of care ($65.23 per hour)	$1,565.46	1.0026	0.9860	$1,547.56 ($64.48 per hour)
655	Inpatient Respite Care	$507.71	0.9947	0.9860	$497.95
656	General Inpatient Care	$1,145.31	0.9931	0.9860	$1,121.48

- **CBSA Changes based on the 2020 Census:** CMS proposes to adopt the new OMB labor market delineations from the July 21, 2023, OMB Bulletin No. 23-01 based on data collected from the 2020 Census. These changes happen once every 10 years, based on the US Census.

The following counties in California are impacted by these changes:

County Name	County Name
ALAMEDA	SAN MATEO
BUTTE	SANTA BARBARA
CONTRA COSTA	SHASTA
IMPERIAL	STANISLAUS
KERN	SUTTER
MADERA	VENTURA
SAN FRANCISCO	YUBA
SAN JOAQUIN	

NOTE: If your county is on this list, there is some change in the Core Based Statistical Area (CBSA), including a decrease in the wage index for the county. See the California FY 2025 Payment chart, counties with changes tab, to determine the reason for the change. Pay particular attention if the number of your county's CBSA has changed, as that will impact the payment rates and your billing, effective October 1, 2024.

- **5% Cap on Wage Index Reductions**

  CMS confirms that there is a permanent 5% cap in decreases in the wage index in any year. Specifically for FY 2025, the 5-percent cap would also be applied to counties that would move from a CBSA or statewide rural area with a higher wage index value into a new CBSA or rural area with a lower wage index value, so that the county's FY 2025 wage index would not be less than 95 percent of the county's FY 2024 wage index value under the old delineation despite moving into a new delineation with a lower wage index.

2. DATA AND TRENDS

- This year, and in subsequent years, the monitoring section will be removed from the rulemaking and placed on the CMS hospice center webpage, which can be found at the Prospective Payment – Hospice section of the CMS website. The data is not available at this time, but CHAPCA will continue to monitor this site and will provide information when it is available.

3. CHANGES TO REGULATORY TEXT

- **Proposed Changes in the Medical Director CoP and Clarifying Changes in Certification and Admission to Hospice Care**

Although the CoP provisions at §§ 418.102(b) and (c) include requirements for the initial certification and recertification of terminal illness, they do not include the physician member of the interdisciplinary group among the types of practitioners who can provide these certifications, even though these physicians are able to certify terminal illness under the payment regulation at § 418.22 (Certification of terminal illness). The changes are proposed to align the provisions for the physician designee in §§ 418.22 and 418.25 with those found in the Medical Director CoP at § 418.102.

Get the extras: Details of the changes to the Medicare Hospice Conditions of Participation and payment regulations can be found in Appendix B Click Here. Proposed changes to §§ 418.22, 418.25, and 418.102 are marked in red.

- **Election of Hospice Care, Election Statement and Notice of Election**
  - **Election Statement:** As part of the election required by § 418.24, a beneficiary (or their representative) must file an "election statement" with the hospice, which must include an acknowledgement that they fully understand the palliative, rather than curative, nature of hospice care as it relates to the individual's terminal illness and related conditions, as well as other requirements as set out at § 418.24(b).
  - **Reminder of the Waiver of Rights to Medicare Payments for Any Care for the Terminal Illness and Related Conditions:** CMS reminds readers about the waiver of all Medicare payment for care related to the terminal illness and related conditions. They state: " As set out at § 418.24(f), when electing the hospice benefit, **an individual waives all rights to Medicare payment for any care for the terminal illness and related conditions except for services provided by the designated hospice, another hospice under arrangement with the designated hospice, and the individual's attending physician** if that physician is not an employee of the designated hospice or receiving compensation from the hospice for those services."
  - **Of Special Note:** **"**Because of this waiver, this means that **the designated hospice is the only provider to which Medicare payment can be made for services related to the terminal illness and related conditions for the patient**; providers other than the designated hospice, a hospice under arrangement with the designated hospice, or the individual's attending physician cannot receive payment for services to a hospice beneficiary unless those services are unrelated to the terminal illness and related conditions when a patient is under a hospice election."

- **Reorganization of § 418.24 for Clarity:** CMS is proposing to title § 418.24(b) as "Election Statement" and would include the title "Notice of Election" at § 418.24(e). CMS believes that this reorganization is important to ensure that stakeholders fully understand that the election statement is required as acknowledgement of a beneficiary's understanding of the decision to elect hospice and filed with the hospice, whereas the NOE is required for claims processing purposes and filed with the hospice MAC within five calendar days after the effective date of the election statement."

  Get the extras: For those readers who want to see the details of the changes to the Medicare Hospice Conditions of Participation and payment regulations, they can be found in Appendix C Click Here

4. Proposed Changes to Hospice Quality Reporting Program

- **HOPE Tool**

  CMS is unveiling the long-awaited standardized patient level data collection tool, the Hospice Outcomes & Patient Evaluation or **HOPE**. CMS describes it as a "modification of, and functional replacement for, the existing HIS structure. CMS has published a HOPE Beta Testing Report which provides more detail on the development of HOPE.

  Implementation date: CMS proposes to begin collecting the HOPE standardized patient level data collection tool **on or after October 1, 2025**, and provide data for the two new quality measures also proposed in this rule and outlined above. CMS proposes that the HOPE assessment **instrument would replace the HIS upon implementation in 2025.** Additional information on HOPE available at https://www.cms.gov/medicare/quality/hospice/hope

  Data to be collected: According to CMS, the collection would contain:

  - Demographic;
  - Record processing;
  - Patient-level standardized data elements

  The data would be collected by all Medicare certified hospices for ALL patients over the age of 18, regardless of payer source. The data would be used to support HQRP quality measures.

  Data will be used to:

  - assess patients based on the hospice's interactions with the patient and family/caregiver;

- accommodate patients with varying clinical needs;
- and provide additional information to contribute to the patient's care plan throughout the hospice stay (not just at admission and discharge).

Timeframe for collection: CMS proposes that there would be a standardized set of items would have to be completed at admission and discharge, and at the two HUV timepoints within the first 30 days after the hospice election.

Data element domains: The data elements represent domains such as:

- Administrative
- Preferences for Customary Routine Activities
- Active Diagnoses
- Health Conditions
- Medications
- Skin Conditions

Data collection time points during care: HOPE data would be collected by hospice staff for each patient admission at three distinct time points:

- admission,
- the hospice update visit (HUV), and
- discharge, as discussed in the PRA as well as sections IV. A of this proposed rule in which we discuss Collection of Information requirements and the Regulatory Impact Analysis

HOPE Admission, discharge and 2 HUV Records: We propose to apply the same submission requirements for HOPE admission, discharge, and two HUV records. After HIS is phased out, hospices would continue to submit 90 percent of all required HOPE records to support the quality measures within 30 days of the event or completion date (patient's admission, discharge, and based on the patient's length of stay up to two HUV timepoints.

CMS proposes that not all HOPE items would be required to be completed at every timepoint and states that "these proposed time points could also be revised in future rulemaking."

Training on HOPE available to providers: CMS proposes to provide training for hospice providers and will announce that training on the CMS HQRP website, Announcement and Spotlight page and during HHH and DME Open Door Forums.

Draft HOPE Manual 1.0: The draft HOPE Guidance Manual v1.0 is available on the HQRP HOPE webpage for review and the final HOPE Guidance Manual v1.0 will be

available after the publication of the final rule. This guidance manual offers hospices direction on the collection and submission of hospice patient stay data to CMS to support the HQRP quality measures.

Public Availability of Data Submitted:

- First two quarters are expected to be a "learning curve" for providers. CMS proposes that the data from the first quarter (anticipated to be Q4 CY2025, if HOPE data collection begins in October 2025) will not be used for assessing validity and reliability of the quality measures.
- CMS states that they will assess the quality and completeness of the data that is received nearing the end of Q4 2025 before public reporting the measures. Data collected by hospices during the four quarters of CY 2026 (for example, Q 1, 2, 3 and 4 CY 2026) will be analyzed starting in CY 2027.
- CMS proposes to implement public reporting of the proposed quality measures **no earlier than FY 2027.** CMS states that it is possible that public reporting may occur during the FY 2028 APU year, allowing ample time for data analysis, review of measures' appropriateness for use for public reporting, and allowing hospices the required time to review their own data prior to public reporting.

Four Quarters of Data for the Reporting Period: CMS will consider public reporting using fewer than four (4) quarters of data for the initial reporting period but proposes to use four quarters of data as the standard reporting period for future public reporting.

Opportunity for public comment: CMS will propose the timeline for public reporting of data in future rulemaking and welcomes public comment on what should be considered when developing future proposals related to public reporting.

- **Correcting Technical Errors:** CMS has proposed correcting amendments to 42 CFR 418.312 to correct technical errors identified in the FY 2016 Hospice Wage Index and Payment Rate Update final rule. Specifically, the FY 2021 HQRP Correcting Amendment (85 FR 53679) adds paragraph (i) to § 418.312 to reflect our exemptions and extensions requirements, which were referenced in the preamble but inadvertently omitted from the regulations text. Thus, these exemptions or extensions can occur when a hospice encounters certain extraordinary circumstances.

- **Current Quality Measures in Effect for the Hospice Quality Reporting Program**

Hospice Quality Reporting Program
Hospice Item Set
Hospice and Palliative Care Composite Process Measure – HIS-Comprehensive Assessment Measure at Admission includes: 1. Patients Treated with an Opioid who are Given a Bowel Regimen 2. Pain Screening 3. Pain Assessment 4. Dyspnea Treatment 5. Dyspnea Treatment 6. Treatment Preferences 7. Beliefs/Values Addressed (if desired by the patient)
Administrative Data, including Claims-based Measures
Hospice Visits in Last Days of Life (HVLDL)
Hospice Care Index (HCI) 1. Continuous Home Care (CHC or General Inpatient Care (GIP) Provided 2. Gaps in Skilled Nursing Visits 3. Early Live Discharges 4. Late Live Discharges 5. Burdensome Transitions (Type 1) – Live Discharges from Hospice Followed by Hospitalization and Subsequent Hospice Readmission 6. Burdensome Transitions (Type 2) – Live Discharges from Hospice Followed by Hospitalization with the Patient Dying in the Hospital 7. Per-beneficiary Medicare Spending 8. Skilled Nursing Care Minutes per Routine Home Care (RHC) Day 9. Skilled Nursing Minutes on Weekends 10. Visits Near Death
CAHPS® Hospice Survey
CAHPS Hospice Survey 1. Communication with Family 2. Getting timely help 3. Treating patient with respect 4. Emotional and spiritual support 5. Help for pain and symptoms 6. Training family to care for the patient 7. Rating of this hospice 8. Willing to recommend this hospice

- **Two New Process Quality Measures Proposed based on Proposed HOPE Data Collection**

  No sooner than CY 2027, CMS is proposing two new process quality measures:

  - Timely Reassessment of Pain Impact
    - Pain symptom severity and impact will be determined based on hospice patients' responses to the pain symptom impact data elements within HOPE.
  - Timely Reassessment of Non-Pain Symptom Impact
    - Non-pain symptom severity and impact will be determined based on patients' responses to the HOPE data elements related to shortness of breath, anxiety, nausea, vomiting, diarrhea, constipation, and agitation.

  CMS is proposing to use data collected from HOPE, where a "nurse would assess at multiple time points during a hospice stay to collect data related to patients' symptoms during those assessments." CMS goes on to say that these two measures "would determine whether a follow-up visit occurs within 48 hours of an initial assessment of moderate or severe symptom impact."

  Other specifications:

  - **Telehealth for reassessment?: CMS** proposes that only in-person visits would count for the collection of data for these proposed measures – that is, **telehealth calls would not count for a reassessment**. **We seek comment on whether only in-person visits are appropriate for collection of data for these proposed measures or if other types of visits, such as telehealth, should be included**.
  - **Same day visits:** CMS proposes that a follow-up visit cannot be the same visit as the initial assessment, but it can occur later in the same day (as a separate visit).
  - **Calculation of denominator:** CMS proposes beneficiaries will be included in the denominator if they have a moderate or severe level of pain or non-pain symptom impact, respectively, at their initial assessment.

  Denominator Exclusions

  - Beneficiaries who die or are discharged alive before the two-day window
  - If the patient/caregiver refused the reassessment visit;
  - the hospice was unable to contact the patient/caregiver to perform the reassessment;
  - The patient traveled outside the service area, or
  - The patient was in the ER/hospital during the two-day follow-up window.

In these situations, we propose that a hospice would be unable to conduct a reassessment due to circumstances beyond their control, and therefore these situations will not be included in the measure denominator.

Numerator Inclusions

Includes beneficiaries who received a timely symptom re-assessment, including beneficiaries who receive a separate HOPE reassessment within two calendar days of the initial assessment (for example, if a pain has moderate or severe symptoms assessed on Sunday, the hospice would be expected to complete the reassessment on or before Tuesday).

5. Hospice CAHPS Survey Changes

- **Survey administration changes:**
  - Add a web-mail mode (email invitation to a web survey, with mail follow-up to non-responders)
  - Add a pre-notification letter
  - Extend the field period from 42 to 49 days, beginning with January 2025 decedents.

CMS states that the web-mail mode would be an alternative to the current modes (mail-only, telephone-only, and mixed mode (mail with telephone follow-up)) that hospices could select. In the 2021 mode experiment, response rates for those with email addresses were significantly higher – 36.7% for mail-only compared to 49.6% for web mail

- **Revised CAHPS Hospice Survey:** CMS is proposing to implement the revised CAHPS Hospice Survey beginning with **January 2025** decedents. CMS seeks comment on these proposed changes before finalization.

- **Get the extras:** Download the CAHPS Hospice Survey Click Here to see the survey with all proposed edits included.

- **CAHPS Hospice Survey Resources:**
  - https://hospicecahpssurvey.org/en/survey-materials/
  - https://hospicecahpssurvey.org/globalassets/hospice-cahps4/survey-instruments/mail/cahps-hospice-qag-v10.0-english-mail_february-2024.pdf

Training and education available for HQRP requirements: Most hospices that fail to meet HQRP requirements do so because they miss the 90 percent threshold. CMS offers

many training and education opportunities through our website, which are available 24/7, 365 days per year, to enable hospice staff to learn at the pace and time of their choice.

We want hospices to be successful with meeting the HQRP requirements. We encourage hospices to use the website at: HQRP Training and Education Library | CMS

HQRP Compliance requires understanding three timeframes for both HIS and CAHPS: The relevant Reporting Year; the payment FY; and the Reference Year.

HQRP Reporting Requirements and Corresponding Annual Payment Updates

Reporting Year for HIS/HOPE and Data Collection Year for CAHPS data (Calendar Year)	Annual Payment Update Impacts Payments for the FY	Reference Year for CAHPS Size Exemption (CAHPS only)
CY 2023	FY 2025 APU	CY 2022
CY 2024	FY 2026 APU	CY 2023
CY 2025	FY 2027 APU	CY 2024
CY 2026	FY 2028 APU	CY 2025

Resources: For more information about HQRP Requirements, CMS refers readers to visit the frequently-updated HQRP website and especially the Requirements and Best Practice, Education and Training Library, and Help Desk webpages at: https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/HospiceQuality-Reporting.

6. Requests for Information

- **Payment mechanism for the cost of high intensity palliative care services to hospices**

  CMS states that there is a subset of hospice eligible beneficiaries that could benefit from receiving palliative rather than curative chemotherapy, radiation, blood transfusions and dialysis. Some beneficiaries and their families have told CMS that the hospice has informed them that Medicare does not pay for these services, even if they would palliative specific symptoms.

  CMS is continuing to focus on improved access and value within the hospice benefit and is soliciting public comment on a set of questions found in the proposed rule.

- **Health Equity Updates related to HQRP**

In this proposed rule, CMS has issued a Request for Information (RFI) Regarding Future HQRP Social Determinants of Health (SDOH) Items. CMS states that they believe that ongoing measurement of Social Determinants of Health will have significant benefits, including:

Four domains that are relevant to the PAC and hospice care settings:

CMS identified four SDOH domains that are relevant across the PAC and hospice care settings. CMS asks which of the data collection items outlined below are suitable for the hospice setting, and how they may need to be adapted to be more appropriate for hospice patients and families.

- Housing Instability
- Food insecurity
- Utility challenges
- Transportation challenges

CHAPCA is gathering information from providers for each of these RFIs, referencing the questions found in the description of each RFI in the proposed rule. We welcome your thoughts and feedback on any part of the proposed rule. Please send your thoughts to us at education@calhospice.org with "FY 2025 Hospice Wage Index proposed rule" in the subject line.