The Patient Protection and Affordable Care Act and Its Impact on Hospice

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The health care reform bill signed into law by President Obama on March 23, 2010, otherwise known as the Patient Protection and Affordable Care Act (PPACA), will have a broad impact on virtually all aspects of health care, with hospice being no exception. Since the implementing regulations to the PPACA have not yet been published, we do not know the specifics of how we will be expected to achieve its new requirements. However, we do know what Congress intends the end results to be. The impact on hospice providers can be defined in terms of quality, data collection, accountability, payment reform and access to care. Some of the more significant provisions of the PPACA, as applied to hospices, are summarized below.

Quality

Various reports by the Office of Inspector General (OIG) and the Medicare Payment and Advisory Commission (MedPAC) over the last few years have found that it is difficult to assess quality among hospices because there are no uniform quality data requirements. The PPACA will address this issue by requiring hospices to report on quality measures to be determined by the Secretary for the Department of Health and Human Services (Secretary) or face a 2% point reduction in their market basket percentage increase. The Secretary must publish the quality measures no later than October 1, 2012, and the reporting would begin in Fiscal Year 2014. Quality measure data will be made available to the public after the reporting hospice has an opportunity to review the data. While we do not know what will be included as quality measures, we should consider that the PEACE Project and AIM Project, both funded by CMS, will be potential sources.

The Secretary will also establish a hospice concurrent care demonstration program. This three-year demonstration project will allow Medicare hospice beneficiaries to simultaneously receive hospice care in addition to other Medicare-covered services and will evaluate whether patient care, quality of life and cost-effectiveness were improved. No more than 15 hospice programs from both urban and rural areas will be selected for this project.

Data Collection

Lack of available uniform data among hospices is also a concern of MedPAC. Even though we have seen a substantial increase in the amount of data collected on hospice claims and cost reports, we can expect to see additional data requirements later this year. Beginning no later than January 1, 2011, the PPACA requires the Secretary to collect additional data as appropriate to revise hospice payments. The specific data requirements will be made in consultation with MedPAC and may include cost and charge information, charitable contributions, and patient visits.

Accountability

MedPAC's recent recommendations regarding hospice recertification of terminal illness have also been included in the PPACA. Effective January 1, 2011, a hospice physician or nurse practitioner must have a face-to-face encounter with the hospice patient to determine continued eligibility prior to the 180th day recertification, and each subsequent recertification, and attest that such visit took place. In addition, the PPACA requires medical review of hospice patients with lengths of stay greater than 180 days for those hospice programs in which the number of such cases exceeds a percentage to be specified by the Secretary. This requirement is also effective January 1, 2011.

Payment Reform

Beginning in Fiscal Year 2013 and continuing through 2019, the annual market basket increase (MBI) will be reduced by a productivity adjustment that, for planning purposes, is often estimated to be around 1.3%, plus an additional 0.3% for hospices. This approximate 1.6% reduction to the MBI will be in addition to the Budget Neutrality Adjustment Factor reductions that are to continue for the next six years. In addition, the PPACA requires the Secretary, no earlier than October 1, 2013, to "…implement revisions to the methodology for determining the payment rates for routine home care and other services…which may include adjustments to per diem rates that reflect changes in resource intensity in providing such care…." The Secretary shall consult with hospice programs and MedPAC in regard to such payment revisions.

Access

The PPACA also allows concurrent care for children, as defined by state law, who are enrolled in Medicaid or the Children's Health Insurance Program to receive hospice services without waiving other coverage for the treatment of their illness.

We can expect to see implementing regulations beginning within the next few months that will provide us with the road map of how we are to achieve the PPACA's many new requirements for hospice agencies. Stay tuned to future editions of *Hospice EndNotes* as we discuss the specifics of the new regulations as they are published.

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