

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 10372	Date: September 24, 2020
	Change Request 11876

Transmittal 10338, dated August 27, 2020, is being rescinded and replaced by Transmittal 10372, dated, September 24, 2020 to revise the hourly CHC rate on the Hospice Table attachment. All other information remains the same.

SUBJECT: Update to Hospice Payment Rates, Hospice Cap, Hospice Wage Index and Hospice Pricer for FY 2021

I. SUMMARY OF CHANGES: This Change Request (CR) updates the hospice payment rates, hospice wage index, and Pricer for FY 2021. The CR also updates the FY 2021 hospice aggregate cap amount. These updates apply to Pub 100-04, Chapter 11, section 30.2.

EFFECTIVE DATE: October 1, 2020

**Unless otherwise specified, the effective date is the date of service.*

IMPLEMENTATION DATE: October 5, 2020

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revise information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	N/A

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Recurring Update Notification

Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 10372	Date: September 24, 2020	Change Request: 11876
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I. GENERAL INFORMATION

A. Background: Payment rates for hospice care, the hospice cap amount, and the hospice wage index are updated annually.

The law governing payment for hospice care requires annual updates to the hospice payment rates. Payment rates are updated annually according to section 1814(i)(1)(C)(ii)(VII) of the Social Security Act ("the Act"), which requires CMS to use the inpatient hospital market basket, adjusted for multifactor productivity (MFP) and other adjustments as specified in the Act, to determine the hospice payment update percentage.

The hospice cap amount is updated annually in accordance with § 1814(i)(2)(B) of the Act and provides for an increase (or decrease) in the hospice cap amount. For accounting years that end after September 30, 2016 and before October 1, 2025, the hospice cap is updated by the hospice payment update percentage.

The hospice wage index is used to adjust payment rates to reflect local differences in wages. The hospice wage index is updated annually as discussed in hospice rulemaking.

Section 3004 of the Affordable Care Act (ACA) amended the Act to authorize a quality reporting program for hospices. Section 1814(i)(5)(A)(i) of the Act requires that beginning with FY 2014 and each subsequent FY, the Secretary shall reduce the market basket update by 2 percentage points for any hospice that does not comply with the quality data reporting requirements with respect to that FY.

B. Policy: FY 2021 Hospice Payment Rates

The hospice payment update percentage for Fiscal Year (FY) 2021 is based on the inpatient hospital market basket update of 2.4 percent. Due to the requirements at sections 1886(b)(3)(B)(xi)(II) and 1814(i)(1)(C)(v) of the Act, the inpatient hospital market basket update for FY 2021 of 2.4 percent must be reduced by an MFP adjustment as mandated by Affordable Care Act (currently estimated to be 0 percentage point for FY 2021). In effect, the hospice payment update percentage for FY 2021 is 2.4 percent.

The FY 2021 hospice payment rates are effective for care and services furnished on or after October 1, 2020, through September 30, 2021. The hospice payment rates are discussed further in Pub. 100-04, Medicare Claims Processing Manual, Chapter 11, Processing Hospice Claims, section 30.2.

The FY 2021 hospice payment rates are shown in Tables 1 and 2 of the attachment.

Hospice Inpatient and Aggregate Caps

In the FY 2016 Hospice Wage Index and Payment Rate Update final rule (80 FR 47142), we finalized aligning the cap accounting year, for both the inpatient cap and the hospice aggregate cap, with the federal

FY beginning in 2017. Therefore, the 2021 cap year will start on October 1, 2020 and end on September 30, 2021.

For the inpatient cap for the 2021 cap year, we will calculate the percentage of all hospice days that were provided as inpatient days (GIP care and Respite care) from October 1, 2020 through September 30, 2021.

The hospice cap amount for the 2021 cap year is equal to the FY 2020 cap amount (\$29,964.78) updated by the FY 2021 hospice payment update percentage of 2.4 percent. As such, the FY 2021 cap amount is \$30,683.93.

Hospice Wage Index

The revised payment rates and wage index will be incorporated in the Hospice Pricer and forwarded to the Medicare contractors. The wage index will **not** be published in the Federal Register but will be available on the CMS website at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/Hospice/index.html>.

On September 14, 2018, the Office of Management and Budget (OMB) issued OMB Bulletin No. 18-04, announcing revisions to the delineation of Metropolitan Statistical Areas (MSAs), Micropolitan Statistical Areas, and Combined Statistical Areas, and guidance on uses of the delineation in these areas. These revisions will be incorporated into the hospice wage index for FY 2021.

For FY 2021 as a transition to help mitigate any significant negative impacts that hospices may experience due to our proposal to adopt the revised OMB delineations, we applied a 5 percent cap on any decrease in a geographic area’s wage index value from FY 2020 to FY 2021. Due to the way that the transition wage index is calculated, some Core Based Statistical Areas (CBSAs) and statewide rural areas will have more than one wage index value associated with that CBSA or rural area. For example, some counties that change OMB designations will have a wage index value that is different than the wage index value associated with the CBSA or rural area they are moving to because of the transition. However, each county will have only one wage index value. For counties that correspond to a different transition wage index value, the CBSA number will not be able to be used for FY 2021 claims. These counties are listed in Table 3 (attached). In these cases, a number other than the CBSA number will be needed to identify the appropriate wage index value for claims for hospice care provided in FY 2021. These numbers are five digits in length and begin with “50”. These special 50xxx codes are shown in the last column of the FY 2021 hospice wage index file located at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/Hospice/Hospice-Regulations-and-Notices>. For counties located in CBSAs and rural areas that do not correspond to a different transition wage index value, the CBSA number will still be used.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								Other
		A/B MAC		D M E M A C	Shared- System Maintainers					
		A	B		H H H	F I S S	M C S	V M S	C W F	
11876.1	Medicare systems shall apply the FY 2021 rates for claims with dates of service on or after October 1, 2020 through September 30, 2021.					X				Hospice Pricer

Number	Requirement	Responsibility									
		A/B MAC			D M E	Shared-System Maintainers				Other	
		A	B	H H H		F M V C	I C M W	S S S F			
11876.2	Medicare systems shall install the new Hospice Pricer software.					X					Hospice Pricer
11876.3	Medicare systems shall use Core Based Statistical Area (CBSA) codes or special 50xxx codes for purposes of wage index adjustment of hospice claims. Medicare systems shall also use a table of wage index values associated with CBSA codes for FY 2021 hospice payment calculation.					X					Hospice Pricer
11876.3.1	The contractor shall instruct providers to submit the CBSA code or special 50xxx code, corresponding to the state and county where the hospice services were provided, on the hospice claim. The contractor shall instruct providers serving beneficiaries in areas where there is more than one unique CBSA due to the wage index transition, to use the special 50xxx codes to determine the appropriate code to report in place of the CBSA code.			X							
11876.3.2	The contractor shall accept CBSA codes in the 50xxxx range as valid when reported with value codes 61 or G8 on hospice claims.					X					
11876.4	Contractors shall calculate hospices' aggregate cap amounts for the FY 2021 cap year, starting on October 1, 2020 and ending on September 30, 2021, based on the cap amount of \$30,683.93			X							

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility						
		A/B MAC			D M E	C	D	I
		A	B	H H H				
11876.5	MLN Article: CMS will make available an MLN Matters provider education article that will be marketed through the MLN Connects weekly newsletter shortly after the CR is released. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1, instructions for distributing MLN Connects information to providers, posting the article or a direct link to the article on your website, and including the article or a direct link to the article in your bulletin or			X				

Number	Requirement	Responsibility				
		A/B MAC			D M E D I	C E D I
		A	B	H H H		
	newsletter. You may supplement MLN Matters articles with localized information benefiting your provider community in billing and administering the Medicare program correctly. Subscribe to the “MLN Matters” listserv to get article release notifications, or review them in the MLN Connects weekly newsletter.					

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements:

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
	N/A

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Chantelle Caldwell, 410-786-8743 or chantelle.caldwell@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

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ATTACHMENTS: 1

Table 1: FY 2021 Hospice Payment Rates for Hospices that Submit the Required Quality Data

Code	Description	FY 2021 Payment Rate	Labor Share	Non-Labor Share
651	Routine Home Care (days 1-60)	\$199.25	\$136.90	\$62.35
651	Routine Home Care (days 61+)	\$157.49	\$108.21	\$49.28
652	Continuous Home Care Full Rate = 24 hours of care Hourly rate=\$59.68	\$1,432.41	\$984.21	\$448.20
655	Inpatient Respite Care	\$461.09	\$249.59	\$211.50
656	General Inpatient Care	\$1,045.66	\$669.33	\$376.33

Table 2: FY 2021 Hospice Payment Rates for Hospices that DO NOT Submit the Required Quality Data

Code	Description	FY 2021 Payment Rate	Labor Share	Non- Labor Share
651	Routine Home Care (days 1-60)	\$195.36	\$134.23	\$61.13
651	Routine Home Care (days 61+)	\$154.42	\$106.10	\$48.32
652	Continuous Home Care Full Rate = 24 hours of care Hourly rate=\$58.52	\$1404.44	\$964.99	\$439.45
655	Inpatient Respite Care	\$452.08	\$244.71	\$207.37
656	General Inpatient Care	\$1,025.23	\$656.25	\$368.98

Table 3: List of counties that must use 50xxx Codes for FY 2021 due to the wage index transition

FIPS County Code	COUNTY NAME	CBSA FY 2020	CBSA Name FY 2020	Alternative ID	CBSA NAME FY 2021
17039	DE WITT	14010	Bloomington, IL	50001	ILLINOIS
18143	SCOTT	31140	Louisville/Jefferson County, KY-IN	50002	INDIANA
20149	POTTAWATOMIE	31740	Manhattan, KS	50003	Manhattan, KS
20161	RILEY	31740	Manhattan, KS	50003	Manhattan, KS
20095	KINGMAN	48620	Wichita, KS	50004	KANSAS
21223	TRIMBLE	31140	Louisville/Jefferson County, KY-IN	50005	KENTUCKY

25011	FRANKLIN	99922	MASSACHUSETTS	50006	Springfield, MA
26159	VAN BUREN	28020	Kalamazoo-Portage, MI	50007	MICHIGAN
27143	SIBLEY	33460	Minneapolis-St. Paul-Bloomington, MN-W	50008	MINNESOTA
28009	BENTON	32820	Memphis, TN-MS-AR	50009	MISSISSIPPI
30037	GOLDEN VALLEY	13740	Billings, MT	50010	MONTANA
31081	HAMILTON	24260	Grand Island, NE	50011	NEBRASKA
34023	MIDDLESEX	35614	New York-Jersey City-White Plains, NY-	50012	New Brunswick-Lakewood, NJ
34025	MONMOUTH	35614	New York-Jersey City-White Plains, NY-	50012	New Brunswick-Lakewood, NJ
34029	OCEAN	35614	New York-Jersey City-White Plains, NY-	50012	New Brunswick-Lakewood, NJ
36071	ORANGE	35614	New York-Jersey City-White Plains, NY-	50013	Poughkeepsie-Newburgh-Middletown, NY
37051	CUMBERLAND	22180	Fayetteville, NC	50014	Fayetteville, NC
37093	HOKE	22180	Fayetteville, NC	50014	Fayetteville, NC
45087	UNION	43900	Spartanburg, SC	50015	SOUTH CAROLINA
46033	CUSTER	39660	Rapid City, SD	50016	SOUTH DAKOTA
47081	HICKMAN	34980	Nashville-Davidson--Murfreesboro--Fran	50017	TENNESSEE
48007	ARANSAS	18580	Corpus Christi, TX	50018	TEXAS
48221	HOOD	23104	Fort Worth-Arlington, TX	50019	TEXAS
48425	SOMERVELL	23104	Fort Worth-Arlington, TX	50019	TEXAS
51029	BUCKINGHAM	16820	Charlottesville, VA	50020	VIRGINIA
51033	CAROLINE	40060	Richmond, VA	50021	VIRGINIA
51063	FLOYD	13980	Blacksburg-Christiansburg-Radford, VA	50022	VIRGINIA
53051	PEND OREILLE	44060	Spokane-Spokane Valley, WA	50023	WASHINGTON
54003	BERKELEY	25180	Hagerstown-Martinsburg, MD-WV	50024	Hagerstown-Martinsburg, MD-WV
24043	WASHINGTON	25180	Hagerstown-Martinsburg, MD-WV	50024	Hagerstown-Martinsburg, MD-WV
72083	LAS MARIAS	99940	PUERTO RICO	50025	Mayaguez, PR