



# HPCAIA Update

*Bi-weekly News for Hospice Professionals in Iowa*

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December 18, 2009

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## Happy Holidays from HPCAIA

The staff of HPCAIA wishes you a wonderful holiday season! Please note, the HPCAIA offices will be closed December 24 through January 1. The next issue of the *Update* will be sent on January 8, 2010.

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## MedPAC Reviews Hospice Payment

The December MedPAC meeting focused on draft recommendations for update factors for FY 2011 for various providers. MedPAC does this every December and final votes will come in January. The context for the draft recommendations this year is unusual due to the pending health reform legislation.

MedPAC makes three general types of recommendations:

1. Payment update recommendations (the focus of the December meeting)
2. Redistribution of current payments
3. Payment reform recommendations

The factors below were used to assess the adequacy of hospice payment at the December meeting:

1. Access to care, including the supply of providers and the volume of services;
  2. Quality of care;
  3. Access to money for capital expenditures, and
  4. Costs and payments.
1. Among the data presented about access of care were the following:
    - Rapid growth in the number of hospice users and providers. For-profits represent the greatest growth among providers: from 2001 to 2008 a growth of nearly 1,000 compared to 13 by nonprofits in the same period.

- Hospice use rose from 22.9% of Medicare decedents in 2000, to 40.1% in 2008.
  - The average length of stay is increasing; from 54 days in 2000 to 83 days in 2008.
  - Ten percent of hospices exceeded the hospice cap in 2007. That group almost entirely consisted of for-profit hospices with long lengths of stay and higher live discharges.
2. The lack of publicly available hospice quality data was noted as well as a CMS initiative testing quality measures in seven New York hospices with data expected in late 2010.
  3. Access to capital varies by the type of hospice. Publicly traded chains have “strong financial reports and solid access to capital. Provider-based hospices access capital through their parent institutions. Information about capital access for nonprofits is difficult to obtain.
  4. Hospice costs vary widely by type of provider. Average per day costs are as follows: For all hospices, \$134; freestanding, \$128; home-health based, \$143; hospital-based, \$168; for-profit, \$121; nonprofit, \$148; above-cap, \$104; below-cap, \$139; urban, \$137; and, rural, \$119.

The commission recommended that Congress update the 2011 hospice payment rates by the projected rate of increase in the hospital market basket index, less the commission’s productivity factor of 1.3%.

For a transcript of the December presentation, click [here](#); the presentation itself can be viewed by clicking [here](#).

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### “Logan’s Story” Helps Children Deal With Grief and Loss

Logan Trumbull is an active fourth grader whose mother never expected him to sit down and write about living through his father’s terminal cancer and eventual death in 2007. His mother also didn’t expect the story would become a book entitled, “Logan’s Story.” The book is a lavishly illustrated and interactive piece that has not only helped Logan heal, but he hopes it will also help other children better understand grief and loss when someone close to them dies.

“Logan’s Story” tells the story of Logan and his family and friends as they cope with his father, Ray Trumbull’s illness and eventually their grief after his passing. Because the Trumbull family received services from the Iowa City Hospice, the family decided to donate all proceeds from the sale of the book to benefit the Hospice.

“Logan’s Story” is available through the [Iowa City Hospice Web site](#) and costs \$14.99 plus shipping and handling.

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### Still Time to Submit Your Hospice’s Data

A big thank you goes out to the 25 hospices that have completed the [HPCAI Data Survey 2009](#). Please make it a priority to complete this survey. The deadline has been extended to January 1.

All submitted data is confidential; only aggregate data will be utilized with lawmakers and other constituents to paint the picture of hospice care in Iowa and why adequate funding of hospice care is critical to patients and families.

If only a portion of HPCAI members participate it will greatly diminish the strength and impact of the data. When legislators arrive in Des Moines in a few weeks, they will be facing one of most difficult budgeting years in Iowa’s history and will be looking for ways to trim state spending. For health care providers, the concern will be Medicaid cuts. Hospice is an optional Medicaid benefit and HPCAI intends to fight for the preservation of the hospice Medicaid benefit but needs your data to do so.

Remember the deadline is extended to January 1. The survey can be completed online at the link below. If you have completed the survey and don’t see your agency listed below, please contact

Amber Watters at HPCAI ([wattersa@ihaonline.org](mailto:wattersa@ihaonline.org)); 515-243-1046, ext 361.

### [HPCAI Data Survey 2009](#)

Thank you to each of the HPCAI Members that have already completed the survey!

- Hospice of Comfort-Manchester
- Hospice of Washington County-Washington
- Heartland Hospice-Red Oak
- Hospice of Central Iowa-West Des Moines
- Pocahontas Community Hospital Hospice-Pocahontas
- Mercy Home Care & Hospice-Clinton
- SMCH Community Hospice-Lake City
- Hospice of Southwest Iowa-Council Bluffs
- Middle River Hospice-Winterset
- St. Luke's Hospice-Cedar Rapids
- Iowa City Hospice-Iowa City
- Hospice of Jasper County-Newton
- Cedar Valley Hospice-Waterloo
- Iowa River Hospice-Marshalltown
- Winneshiek Medical Center Hospice-Decorah
- Mahaska/Keokuk Hospice-Oskaloosa
- Trinity Hospice-Fort Dodge
- Mercy Hospice-Des Moines
- CCMH Home Care/Hospice-Atlantic
- Great River Home Care and Hospice-Wert Burlington
- Lee County Health Department-Ft. Madison
- Hospice of Siouxland-Sioux City
- Iowa Health Hospice-Urbandale
- Avera Holy Family Hospice-Estherville
- Iowa Hospice, LLC-Johnston

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### ***Reinhart's Headlines in Hospice and Palliative Care Focuses on False Claims***

Over the past several years, hospices have faced an increasing number of lawsuits under the federal civil False Claims Act (FCA). The FCA is just one of the many laws in the federal government's arsenal against perceived fraud and abuse in the Medicare and Medicaid programs. However, the FCA receives a great deal of attention in the health care community because it allows private parties (often referred to as "whistleblowers," "relators" or "qui tam plaintiffs") to initiate lawsuits alleging Medicare or Medicaid fraud on behalf of the federal government.

Reinhart Hospice and Palliative Care Legal Service Group has posted "[Hospice Whistleblowers and the False Claims Act: Part 1](#)" on their Web site. Watch for notice of additional postings in future issues of the *Update*.

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### **CMS Updates**

#### **CR6540 Published by CMS**

You may have heard from your software vendor by now about this new CMS requirement. Beginning

January 1, 2010, hospice providers will need to provide the certifying physician's NPI number on the NOE and claim form. For many providers, this is not an active field and will require software vendors to make modifications that may take longer than the one month allowed by CMS. Hospice advocacy groups are working with CMS to extend the implementation date. The full text of the CR can be found on the [CMS Web site](#).

### **CMS Issues CR 6740 - Revisions to Consultation Services Payment Policy**

Effective January 1, 2010, the consultation codes are no longer recognized for Medicare Part B payment. Physicians shall code patient evaluation and management visit with E/M codes that represent where the visit occurs and identify the complexity of the visit performed.

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## **Hospice News Network**

- *Inside CMS* says, "A CMS transmittal from Nov. 27 calls for yet another piece of information, the latest request in a trend that makes some in the hospice community worried that CMS could be looking to more specifically define the benefit, with the chance for potential future cuts. The instruction for 2010, which focuses on the submission of what physician or nurse practitioner (NP) is responsible for certifying a terminal illness, follows similar CMS demands over the past two years for supporting documentation and therapy visit information, among other mandates." (*Inside CMS*, 12/10)
- In criticizing the proposed \$43 billion in cuts to home health programs in the Senate health care bill, Senator Chuck Grassley (R-Iowa) cited a letter from Val Halamadaris, president of the National Association for Home Care and Hospice. Halamadaris said, "It is crucial to the survival of the home health services delivery system that you work to reduce the \$43 billion in cuts currently contained in the Senate Finance Committee's health reform package. Our analysis indicates that by 2016, the proposed cuts in home health services payment rates will lead to nearly 70 percent of providers nationwide at risk of closing because their costs will exceed Medicare payments." (*US Fed News*, 12/10)
- The ranking minority member of the Senate Health, Education, Labor and Pensions Committee, Michael B. Enzi (R-Wyoming), has issued a press release condemning a Senate healthcare bill. Enzi said, "The Reid bill cuts nearly half-a-trillion dollars from the Medicare program, slashing payments to providers, hospitals, nursing homes, hospices and home health care." He also indicated that he would "support an amendment that would restore Medicare funding to home health agencies." (*US Fed News*, 12/10)

*HNN is sponsored by Glatfelter Insurance Group that provides property and liability insurance for hospices and home healthcare agencies through their Hospice and Community Care Insurance Services division. Ask your insurance agent to visit their website at [www.hccis.com](http://www.hccis.com).*

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## **HPCAI Calendar**

- **January 18, 12:30 – 2:00 p.m.**

**HPCAI Education Committee**

HPCAI Board Room, 100 E. Grand Avenue, Des Moines

To add items to the HPCAI Calendar, send information to [Stacey Nay](#).

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