IHO Update

Bi-weekly News for Hospice Professionals in Iowa

Sept. 14, 2007

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IHO Board Meets

The IHO Board met September 6, 2007 at the IHO office. Discussion and action of the Board included:

- Received a report from Board President Leanne Burrack summarizing a meeting with staff at the CMS Regional Office in Kansas City and a conference call of the NHPCO Council of States. Discussion included revisions to the hospice cap.
- Received an update on IHO activities related to the Wellmark Foundation grant.
- Received a follow-up report on hospice/rural health clinic issue and next steps as a result of a conference call with IARHC members.
- Received an update from Shannon Strickler on interim activities of legislative committees.
- Received the July financial report and an investment report by Shelley Farmer with Wells Fargo Institutional Trust Services.
- Received an education committee report from Joel Fry reviewing plans for the Fall Conference and for special recognition of IHO's 25th Anniversary. New this year, IHO's Annual Membership Business meeting will be held during the conference. Martha Tecca with OCS/Perforum will be featured faculty of a pre-conference meeting.
- Received written report from IHO District 1 and verbal discussion of District 6 meeting and topics.

Online Registration Open for 2007 IHO Fall Conference

Register today to attend the 2007 IHO Fall Conference, “Where We’ve Been and Where We’re Heading!” Registration is available online at www.iowahospice.org by clicking on the “Calendar Tab.” *Please note:* Online registration is not available for volunteer registration. If you will be registering a volunteer for the conference, please download the registration form either on the Web site or enclosed with this week’s *IHO Update* and mail or fax in.

The IHO Education Committee has worked hard to bring you a great conference featuring keynoter speakers, Judi Lund Person, vice president, Division of Quality End-of-Life Care, NHPCO discussing “The 10 Components of Quality Care” and “Hospice Self-Assessment and Sally Baskey, with a closing session on “Laughter: My Drug of Choice!”

Breakout sessions include topics such as communication, marketing, compassion fatigue, boundaries, leadership, storytelling, hospice education, clinical issues and much more!

More than 60 volunteers will be honored in a special ceremony to begin the conference and IHO will host a special networking reception the first night of the conference in celebration of our 25th Anniversary.

Register online today at www.iowahospice.org or download the registration form attached to this week’s *IHO Update* and mail or fax in to IHO. Watch for a Fall Conference brochure in your mailboxes next week!

IHO Fall Conference: Volunteer Recognition Ceremony

The list below is the list of those nomination forms that have been received at the IHO Offices. If you or someone at your hospice nominated a volunteer and that nominees name is not on the list, please call Natalie Wilson, IHO, at 515.243.1046 **by October 1**. After that date, no revisions will be accepted to this list. Please forward this list to the appropriate person that directly nominated a volunteer. *Thank you!*

List of Honored Volunteers in Alphabetical Order By Last Name: All Volunteers of Hospice of Comfort ; Lucille Anderson; Dee Arduser; Norma Baum; Bonnie Beal; Betty Bollard; Bob Boonstra; Bev Bovee; Dr. John Chapman; Gene & Martha Chisman; Vicki Christianson; Norma Clark; Mary Collmann; Mary Catherine Condon; Kathy Deimerly; Paul DeVolder; Joan Fogt and Irma Ihede; Vera Franje; Nancy French; Kathleen Goodwin; Dorothy Haes & Ginny Alger; Harris and LeAnn Honsey; Sharon Hulen; Jean Kaelber; Harry Keller; Elmer Kloosterman; Janice Lamm; Sandra Lavender; Mary Lucy; Martha Lutenegger; Janet Manning; Janet McCauley; Kathy McFarland; Denise McMains; Arlene Moss; Jim Nelson; Sandy Opstad; Kathy Petsche & Stephen Streff; Kenneth Pfannebecker; Phyllis Pollock; Marilyn Salyer; Jean Schwandt; Ruth Schoening; Marilyn ‘Mikki’ Schwarzkopf; Hans and Sue Seeman; Rhonda Siefering; Joan Simpson; Mary Stopher; Priscilla Thomsen; Patricia Trent; Arlene Van’t Hul; Molly Veldboom; Rosanne Weber; Marcia Weis; and Dorothy Welcher.

This list is also available on the IHO Web site (www.iowahospice.org) under the "Awards and Recognition" Tab. More information will be available on the Web site as the ceremony gets closer. If you have nominated a volunteer, they will need to be registered for the conference. For further questions, please contact Natalie Wilson, IHO, 515.243.1046.

New Medicare Administrative Contractor Award Announced

Section 911 of the Medicare Modernization Act requires the Secretary of Health and Human Services to implement Medicare contracting reforms that would ultimately replace all current fiscal intermediaries (FIs) and carriers with Medicare Administrative Contractors (MACs) by 2011. The FI and carrier contracts historically have been competed to a limited number of contractors, which, according to CMS, may or may not have been the best qualified organizations to complete the work. The contracts also have not included performance incentives; MAC contracts allow for performance incentives to be earned. The period of performance for the MAC contract is a base period of one year, with four one-year renewal options.

The Centers for Medicare & Medicaid Services (CMS) recently announced that week that Wisconsin Physician Services Health Insurance Corporation (WPS) has been awarded the contract for the combined administration of Parts A and B Medicare fee-for-service claims in Jurisdiction 5, which includes Iowa, Nebraska, Missouri and Kansas.

This MAC will not assume the Iowa hospice book of business. CMS stated it would not be procuring four specialty MACs to service home health and hospice providers, as it did with the four Durable Medical Equipment jurisdictions. Rather, CMS will consolidate the four home health and hospice jurisdictional claims workloads into four Parts A and B MACs. The Iowa hospice and home health business will be competed with Cycle Two of the MAC procurement schedule, which includes a large portion of the eastern half of the United States. The Request for Proposal issuance date for this book of business is September 2007, with an award date scheduled for July 2008.

See the enclosed attachment from CMS providing the specialty MACs. Contact Heather Hulscher (hulscherh@ihaonline.org) at IHA with questions regarding Medicare contracting reform.

FY 2008 Medicare Hospice Wage Indices Available

The Centers for Medicare & Medicaid Services (CMS) has published the final rule updating the hospice wage indices for FY 2008. To establish the hospice wage indices, CMS uses the hospital pre-reclassified, pre-floor wage indices. Raw wage index values of less that 0.8 are adjusted by the greater of the hospice budget neutrality adjustment factor, or the hospice wage index floor which provides a 15 percent increase to the wage index with a maximum value of 0.8.

The following table provides the hospice wage indices for FY 2008 compared with the FY 2007 values.

CBSA	FY 2007 Wage Indices	FY 2008 Wage Indices	Percent Difference
Rural	0.9049	0.9260	2.3%
Ames	1.0141	1.0411	2.7%
Cedar Rapids	0.9385	0.9481	1.0%
Council Bluffs	1.0167	1.0080	-0.8%
Davenport	0.9278	0.9436	1.7%
Des Moines	1.0282	0.9828	-4.4%
Dubuque	0.9597	0.9742	1.5%
Iowa City	1.0365	1.0362	0.0%
Sioux City	0.9976	0.9813	1.6%
Waterloo	0.9100	0.8969	-1.4%

Earlier this year CMS updated the payment rates for hospice services provided in FY 2008 with a market basket adjustment factor of 3.3 percent. Enclosed with this edition of the *IHO Update* are the wage-adjusted rates for hospice services provided in Iowa.

Questions regarding hospice payment rates can be directed to Heather Hulscher (hulscherh@ihaonline.org) at IHO.

**In addition to updating the wage indices, CMS provided several policy changes and clarifications in the final rule. The following summary is provided by NHPCO.

Rural Areas Without Hospital Wage Data

In response to comments received regarding Rural Areas Without Hospital Wage Data, CMS stated that they believe that their proposed methodology results in the most appropriate imputed proxy for rural areas in meeting the criteria we identified as follows: (1) use pre-floor, pre-re-classified hospital data, (2) use the most local data available to impute a rural wage index, (3) be easy to evaluate; and (4) be easy to update from year to year. They will consider the suggestion for evaluating the policy if needed in other situations.
Several commenters noted that there are challenges in furnishing hospice care in rural areas, citing underdevelopment, long distances for staff to travel, staff recruitment challenges and the need for rural hospices to be competitive in the wages and benefits that they provide. CMS responded that while they recognize that there are challenges in providing health care in urban as well as in rural, they believe that the hospital wage data reflects these factors and as a result, the hospice wage index values are also reflective of these challenges.

Payment for Hospice Care Based on Location Where Care is Furnished

Effective January 1, 2008 all payment rates will be adjusted by the geographic wage index value of the area where hospice services are provided, including the provision of General Inpatient and Inpatient Respite care. For these services, CMS will require the identification and location of the facility where services are provided. CMS responded that they are in the process of developing operational instructions that we believe will help simplify the billing process. Hospice providers currently are required to identify the geographic location of their

patients for the routine home care and continuous home care levels of care, and the location of the hospice office for general inpatient care and inpatient respite care. CMS is now also requiring hospice providers to identify the geographic location where inpatient care is provided. They believe that the location of the facility for the provision of both the general inpatient and inpatient respite levels of care will be the same as the location of the hospice office thus the impact on hospices for implementing this provision should be negligible as most hospices currently provide this information on the claims.

Clarification of Selected Existing Medicare Hospice Regulations and Policies

a) Educational Requirements for Nurse Practitioners: In order to align the hospice qualifications for nurse practitioners under §418.3 and Part B nurse practitioners under §410.75, the definition of "attending physician" at §418.3 is revised to cross reference the training, education and experience requirements for nurse practitioners described in §410.75(b).

b) Caregiver Breakdown and General Inpatient Care: CMS reiterated in the final rule that the hospice statute, the regulations §418.202(e), and Medicare hospice policy require that in order to receive payment for general inpatient care under the Medicare hospice benefit, beneficiaries must require an intensity of care directed towards pain control and symptom management that cannot be managed in any other setting. This may be a change for hospice providers and modification of current processes, practices and policies will need to occur to be within full compliance. CMS emphasizes it is the level of care provided to meet the individual's needs that determines payment rates for Medicare services. In other words, caregiver breakdown should not be billed as general inpatient care regardless where the services are provided, unless the intensity-of-care requirement is met.

c) Certification of Terminal Illness: CMS is not making any changes to the certification of terminal illness requirements. They clarified the statute requires that the attending physician and the hospice medical director, not the admission nurse, initially certify the terminal diagnosis with a prognosis of six months or less if the disease runs its normal course. The regulations require that there be documentation in the medical record to support the initial as well as any subsequent certifications. The admission nurse may obtain information supporting the terminal illness in order to allow the attending physician and the medical director to have the necessary information to make the terminal illness determination. But, the determination of the terminal illness cannot be delegated to an admission nurse or any other employee.

d) Hospice Base: No change in payment is anticipated for freestanding facilities. Home health, hospital, and skilled nursing facilities are anticipated to experience an increase of 0.1, 0.3, and 0.7 percent respectively.

Enclosures

IHO Fall Conference Brochure
Specialty MAC Jurisdiction Fact Sheet
Final Rates