

CAPITOL STREET

March 29, 2024

Hospice Rates 2025: +2.6%

Good News

Relevant Companies



The 120-page proposal can be found [here](#). Public comments accepted until May 28, 2024..

»» Our Take & Next Up

The proposed 2025 rule would provide rates +2.6% to hospices. Rural freestanding for-profits to see +2.9%, while urban freestanding for-profits to see +2.6%. Comments will be accepted then CMS will finalize rates on or around Aug 1. New pay rules start Oct 1, 2024 (start of FY25).

»» Key Points

The market basket (MB) update is proposed to be +2.6%, based on a +3.0% inpatient hospital market basket increase and a proposed -0.4% point productivity adjustment. This results in an estimated \$705 M increase in aggregate payments to hospices.

CMS updates Medicare hospice payment policies, including a proposal to adopt updated core-based statistical areas based on 2020 Decennial Census data. Hospices impacted by changes to geographic wage index may apply a 5-percent cap on any decrease compared to the prior year's wage index, preventing a wage index from dropping below 95 percent of the previous year's index. CMS is additionally seeking public comments on potentially implementing a separate payment mechanism for high-intensity palliative care services within the hospice benefit. Comments are due May 28.

Updates to the Hospice Quality Reporting Program (HQRP) are as follows:

- **Introduces two new process measures: Timely Reassessment of Pain Impact and Timely Reassessment of Non-Pain Symptom Impact.** Measures reflect follow-up visits within 48 hours of initial assessment for moderate or severe symptoms, with or without pain.
- **Proposes to adopt the new HOPE Patient-level Data Collection Tool, replacing the Hospice Item Set (HIS) structure.** Tool collects data at admission, HOPE Update Visit (HUV), and discharge, enabling continuous patient-level data gathering. It includes expanded domains such as Sociodemographic, Diagnoses, Symptom Impact Assessment, and Imminent death. CMS is seeking feedback on data collection items for Social Determinants of Health (SDOHs) relevant to hospice.

- **Introduces changes to Hospice CAHPS Survey, including web-mail mode, shortened survey, and modified administration protocols.** The changes also add a new Care Preferences measure and revises existing measures (Hospice Team Communication, Getting Hospice Care Training, & Overall Rating of this Hospice).

CMS is proposing changes to the hospice Conditions of Participation (CoPs). The changes better align language discrepancies related to medical director, physician designee, and physician member of the interdisciplinary group (IDG). Changes also include clarifications for certification of terminal illness and admission to hospice care, as well as clarifications to better distinguish requirements for the “election statement” from the “notice of election” (NOE).

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