

# CAPITOL STREET

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July 31, 2024

## Hospice Pay Improves in Final '25 Rule

+2.9% is Good News

Relevant Companies



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Yesterday, the Centers for Medicare and Medicaid Services (CMS) finalized hospice payments for FY25. The final rule can be found [here](#).

### »» Our Take & Next Up

**The final 2025 rule will provide rates of +2.9% to hospices, an improvement of 30 bps over the proposal.** Rural freestanding for-profits to see +3.2%, while urban freestanding for-profits to see +2.9%. New pay rules start Oct 1, 2024 (start of FY25).

### »» Key Points

**Yesterday, CMS released a finalized hospice payment update of +2.9% for FY 2025.** This is based on the 3.4% inpatient hospital market basket increase reduced by a 0.5% productivity adjustment. As a reminder, this is 0.3% more than the proposed hospice payment update of 2.6%. The net impact of this final rule will result in an estimated \$790 M in increased revenue to hospices. Rural freestanding for-profits to see +3.2%, while urban freestanding for-profits to see +2.9%. Small hospices will experience a lower estimated increase (+1.8%) compared to large hospices (+3.0%).

**The new rule finalizes two quality reporting programs,** Timely Follow-up for Pain Impact and Timely Follow-up for Non-Pain Symptom Impact that will track whether hospice patients with more severe problems receive a follow-up visit within 48 hours after an initial assessment. These checks will be reported using a new tool called the HOPE instrument.

**The new HOPE data collection tool enables CMS to gather data to improve patient care quality** and will replace the existing Hospice Item Set (HIS). Additionally, it reports on the following measures:

- Sociodemographic (updated)
- Diagnoses (expanded)
- Symptom Impact Assessment
- Skin Conditions
- Imminent death

**CMS also spotlights several other updates to the Hospice Quality Reporting System (HQRP)**, including the Hospice Special Focus Program (SFP), which monitors poor-performing hospices based off quality indicators. In addition, this rule finalizes changes to the Hospice CAHPS Survey and summarizes stakeholder input on potential data collection opportunities for four social determinants of health (SDOH) measures.

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