

FFY 2022 MEDICARE HOSPICE PROSPECTIVE PAYMENT SYSTEM FINAL RULE (CMS-1754-F)

On Aug. 4, the Centers for Medicare & Medicaid Services (CMS) published its annual [final rule](#) updating the Medicare Hospice Prospective Payment System (PPS) wage index, payment rates, and quality-reporting program effective Oct. 1, 2021 through Sept. 30, 2022. CMS estimates an **increase** in Medicare payments for U.S. hospices of approximately 2% or \$480 million compared with federal fiscal year (FFY) 2021.

Market Basket Update: The final rate change includes a 2.7% market basket increase and the Affordable Care Act (ACA)-mandated productivity adjustment reduction of 0.7 percentage points. The hospice cap amount for FFY 2022 is \$31,297.61 compared to the final FFY 2021 cap amount of \$30,683.93. The final labor and non-labor portions for FFY 2022 are as follows:

Category of Hospice Care	Labor Portion	Non-Labor Portion
Routine Home Care (RHC)	66.0%	34.0%
Continuous Home Care (CHC)	75.2%	24.8%
General Inpatient Care (GIC)	63.5%	36.5%
Inpatient Respite Care (IRC)	61.0%	39.0%

The final payment rates for FFY 2022 are as follows:

Code	FY 2021 Payment Rates	Final FY 2022 Payment Rates
651: RHC (days 1-60)	\$199.25	\$203.40
651: RHC (days 61+)	\$157.49	\$160.74
652: CHC	\$1,432.41 (\$59.68 per hour)	\$1,462.52 (\$60.94 per hour)
655: IRC	\$461.09	\$473.75
656: GIC	\$1,045.66	\$1,068.28

Hospice providers that do not submit the required quality data will experience a 2 percentage point reduction to their market basket.

Changes to Hospice Conditions of Participation (CoPs): CMS finalized the use of pseudo-patients for hospice aide competency training, a flexibility granted via regulatory waiver under the COVID-19 public health emergency (PHE).

In addition, CMS amended hospice aide competency evaluation requirements. Instead of assessing multiple areas, retraining can concentrate on specific deficiencies observed during a hospice aide supervisory visit.

FFY 2022 Hospice Quality Reporting Program (HQRP): CMS finalized the removal of seven measures from the HQRP beginning in FFY 2022, including:

- Patients Treated with an Opioid who are Given a Bowel Regimen (NQF #1617);
- Pain Screening (NQF #1634);

- Pain Assessment (NQF #1637);
- Dyspnea Treatment (NQF #1638);
- Dyspnea Screening (NQF # 1639);
- Treatment Preferences (NQF #1641); and
- Beliefs/Values Addressed (if desired by the patient) (NQF #1647).

CMS will remove these measures from Care Compare no earlier than May 2022. However, hospice providers must still submit data for these measure through the Hospice Item Set (HIS) as CMS uses these data to calculate the Hospice and Palliative Care Composite Process Measure – HIS-Comprehensive Assessment Measure at Admission (NQF #3235).

CMS added a new claims-based measure, Hospice Care Index (HCI) to the HQRP. This index measure includes 10 indicators of quality calculated from claims data that represent quality of care furnished by a hospice throughout the patient’s stay. CMS will begin publically reporting on this measure no earlier than May 2022.

CMS also finalized the Consumer Assessment of Healthcare Providers and Systems (CAHPS) Hospice Survey Star Ratings, indicating that the ratings will appear on Care Compare no sooner than FFY 2022. CMS may conduct a dry run of the star ratings by reporting results to hospices via preview reports before making star ratings publically available. Table 6 displays all measures planned for the FFY 2022 HQRP (p. 42553).

Finally, CMS is using this final rule to implement Division CC, section 407 of the Consolidated Appropriations Act, 2021. This section increases the payment reduction for hospices failing to meet HQRP requirements from 2% to 4% beginning with FFY 2024.

FFY 2022 Final Wage Index: The final wage index is based on the pre-floor, pre-reclassified hospital inpatient wage index. For FFY 2022, there will not be a cap on wage index decreases, and CMS will not factor in any hospital geographic reclassifications.

The [final FFY 2022 wage index](#) values by core-based statistical area (CBSA) are as follows:

CBSA	Final FFY 2022	Final FFY 2021
Bloomington	0.9269	0.9114
Cape Girardeau	0.8282	0.8019
Carbondale	0.8179	0.8184
Champaign-Urbana	0.8680	0.8655
Chicago-Naperville-Evanston	1.0372	1.0442
Danville	0.9407	0.9032
Decatur	0.8353	0.8326
Elgin	1.0232	1.0559
Kankakee	0.8914	0.9068
Lake County	1.0047	1.0192
Peoria	0.8457	0.8644
Rock Island	0.8373	0.8520
Rockford	0.9901	0.9693
St. Louis	0.9583	0.9317
Springfield	0.9136	0.9256
Rural	0.8401	0.8773

Contact IHA

Sources:

Centers for Medicare & Medicaid Services. Medicare Program. FY 2022 Hospice Wage Index and Payment Rate Update. August 4, 2021. Available from: <https://www.federalregister.gov/documents/2021/08/04/2021-16311/medicare-program-fy-2022-hospice-wage-index-and-payment-rate-update-hospice-conditions-of>. Accessed August 16, 2021.

Centers for Medicare & Medicaid Services. FY 2022 Final Hospice Wage Index. Available from: <https://www.cms.gov/medicare/medicare-fee-service-payment/hospice/hospice-wage-index/fy-2022-final-hospice-wage-index>. Accessed August 18, 2021.