

December 19, 2016

Hospice Cap Changes

The Centers for Medicare & Medicaid Services (CMS) published the fiscal year (FY) 2016 Hospice Wage Index and Payment Rate Update final rule on August 6, 2015. The final rule included a change to align the Inpatient and Aggregate Cap Accounting Year with the Federal Fiscal Year (9/30).

CMS is aligning the cap accounting year for both the inpatient cap and the hospice aggregate cap with the federal fiscal year for Fys 2017 and later. In addition to aligning the cap accounting year with the federal fiscal year, they will also align the timeframe for counting the number of beneficiaries with the federal fiscal year.

FY 2017 will be the transition year and the cap period will be 11/01/16 to 9/30/17. Then for FY's 2018 and forward the cap period will be 10/01/yy to 9/30/yy. This will move the Self-Determined Hospice Caps due dates for, **FY 2017** and forward, to between 12/31/yy to the end of February/1st week of March.

The table below summarizes FY 2016 to 2018 cap years, Beneficiary Id Periods and payments. Those hospices that use the streamlined method for counting beneficiaries please note that beginning with FY 2018 and forward the Beneficiary ID Period matches the cap year.

| Cap Year | Beneficiaries | | Payments | |
|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Streamlined | Patient-by-Patient | Streamlined | Patient-by-Patient |
| 2016 | 9/28/15 – 10/31/16 | 11/1/15 – 10/31/16 | 11/1/15 – 10/31/16 | 11/1/15 – 10/31/16 |
| 2017 (Transition Year) | 9/28/16 – 9/30/17 | 11/1/16 – 9/30/17 | 11/1/16 – 9/30/17 | 11/1/16 – 9/30/17 |
| 2018 | 10/1/17 – 9/30/18 | 10/1/17 – 9/30/18 | 10/1/17 – 9/30/18 | 10/1/17 – 9/30/18 |

Please contact Tom Bisbee at (615) 660-5560 if you have any questions regarding above changes or Hospice Cap questions in general.