Eli's Hospice Insider

Payment: Payment Reform Doesn't Go Far Enough, OIG Maintains

CMS hasn't heeded OIG's recommendations in restructuring payment, watchdog agency says.

If you've found the last few years to be a wild reimbursement ride thanks to hospice payment reform, you may have more curves ahead of you.

The **HHS Office of Inspector General** reiterates in its newly released "Compendium of Unimplemented Recommendations" that it has "identified hospice billing patterns suggesting that Medicare's current payment system may not align with the needs of hospice patients. We found that hospices might be targeting beneficiaries to achieve the greatest financial gains."

The **Centers for Medicare & Medicaid Services** agreed with this conclusion, and implemented changes in January 2016 to address the problems, the OIG acknowledges. The new payment structure includes a higher base rate for the first 60 days and a Service Intensity Add-on for registered nurse and social worker visits that occur in the last seven days of life.

But "in OIG's view, the new structure ... does not resolve all aspects of our recommendation," the report says. "OIG does not consider the new payment structure to be the best way to align payments with patient needs because it does not address the vulnerability of hospicestargeting beneficiaries to achieve the greatest financial gains."

Areas ripe for cherry-picking are long-stay patients and benes in assisted living facilities, for example.

"CMS should consider options that tie the specific needs of the beneficiary to payment rates," the OIG urges. In other words, a straight-up case mix system.

"In areas where billing incentives exist, CMS should improve oversight of incentivized behaviors, such as lengthened inpatient stays or increased billing by for-profit hospices," the OIG continues.