

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



NEW product from the Medicare Learning Network®

- [“Medicare Basics Commonly Used Acronyms”](#) Educational Tool, ICN 908999, downloadable

MLN Matters® Number: MM9091

Related Change Request (CR) #: CR 9091

Related CR Release Date: June 24, 2015

Effective Date: June 8, 2015

Related CR Transmittal #: R45QRI

Implementation Date: June 8, 2015

Payments to Hospice Agencies That Do Not Submit Required Quality Data

Note: This article was revised on June 25, 2015, to reflect the revised CR9091 issued on June 24. In the article, the CR release date, transmittal number, and the Web address for accessing the CR are revised. All other information remains unchanged.

Provider Types Affected

This MLN Matters® Article is intended for hospice agencies submitting claims to Medicare Administrative Contractors (MACs) for services to Medicare beneficiaries.

Provider Action Needed

This article summarizes penalties for failure to report, as described in Change Request (CR) 9091, for hospice agencies that do not comply with the quality data submission requirements of Medicare. Make sure that your billing staffs are aware of these changes for 2015.

Background

Section 3004 of the Affordable Care Act amended the Act to authorize a quality reporting program for hospices. Section 1814(i)(5)(A)(i) of the Act requires that beginning with FY

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2014 and each subsequent FY, the Secretary shall reduce the market basket update by 2 percentage points for any hospice that does not comply with the quality data submission requirements with respect to that FY.

Depending on the amount of the annual update for a particular year, a reduction of 2 percentage points could result in the annual market basket update being less than 0.0 percent for a FY and may result in payment rates that are less than payment rates for the preceding FY. Any reduction based on failure to comply with the reporting requirements, as required by Section 1814(i)(5)(B) of the Act, would apply only for the particular FY involved. Any such reduction would not be cumulative or be taken into account in computing the payment amount for subsequent FYs.

Section 1814(i)(5)(C) of the Act requires that each hospice submit data to the Secretary on quality measures specified by the Secretary. The data must be submitted in a form, manner, and at a time specified by the Secretary.

MACs will inform hospices whether they were identified as not complying with the hospice quality reporting requirements, as well as the process to dispute their payment reduction if they disagree with the determination.

Notes:

- If a hospice is non-compliant with regard to Hospice Quality Reporting, MACs will send those hospices an initial notification letter no later than 10 business days from the receipt of information from CMS that provides the list of hospices potentially subject to reductions. The notification letter will also inform the hospice regarding the process to dispute their payment reduction if they disagree with the determination. The reconsideration process will be outlined in this initial notification letter.
- A hospice may request a reconsideration of the finding that they did not comply with the reporting requirements. In these cases, MACs will also send dispute resolution letters to those hospices notifying them of the reconsideration decision of CMS (upheld or reversed) within 10 days of CMS' notification to the MAC of the final decision. This second letter only goes to those hospices requesting a reconsideration.

Additional Information

The official instruction, CR9091, issued to your MAC regarding this change, is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R45QRI.pdf> on the CMS website.

You may want to visit [SE1301](#) and [SE1306](#). SE1301 reminds hospices that beginning with Fiscal Year (FY) 2014 and each subsequent FY, failure to submit required quality data will result in a 2 percentage point reduction to the market basket percentage increase for that fiscal year. It also provides information on how to submit data for the first year of reporting

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and how to collect data for the second year of reporting. SE1306 updates the reporting requirements.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/index.html> under - How Does It Work.

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