

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



MLN Matters® Number: MM9460

Related Change Request (CR) #: CR 9460

Related CR Release Date: December 18, 2015

Effective Date: January 1, 2016

Related CR Transmittal #: R52QRI

Implementation Date: April 1, 2016

**Fiscal Year 2017 and After Payments to Hospice Agencies That Do Not Submit Required Quality Data – This CR Rescinds and Fully Replaces CR9091**

**Provider Types Affected**

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

**Provider Action Needed**

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Change Request (CR) 9460 revises Chapter 3, Section 40 of the “Medicare Quality Reporting Incentive Programs Manual”, to reflect changes to the payment reduction reconsideration process. It also includes general clarifications to the section. This article fully replaces [MM9091](#), which has been rescinded by the Centers for Medicare & Medicaid Services (CMS).

**Background**

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Section 3004 of the Affordable Care Act amended the Social Security Act (the Act) to authorize a quality reporting program for hospices. Section 1814(i)(5)(A)(i) of the Act requires that beginning with Fiscal Year (FY) 2014 and each subsequent FY, the Secretary shall reduce the market basket update by two percentage points for any hospice that does not comply with the quality data submission requirements with respect to that FY. For payments in Fiscal Years 2014 through 2016, this requirement was limited to the reporting of Hospice Item Set (HIS) data. Effective for payments in FY 2017 and after, the requirement also includes submission of Hospice Consumer Assessment of Health Providers and System (CAHPS®) Survey data.

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Based on the two-percentage point reduction requirement outlined in Section 1814(i)(5)(A)(i) of the Act and 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.

Your MAC will send you a letter to notify you if you are non-compliant with regard to reporting HIS data and/or hospice CAHPS survey data.

### Additional Information

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The official instruction, CR9460 issued to your MAC regarding this change is available at <http://www.cms.hhs.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R52QRI.pdf> on the CMS website.

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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