



Manual Updates for Clarification on the Election Statement Addendum and Extension of the Hospice Cap Calculation Methodology

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Related Change Request (CR) Number: 12491

Related CR Release Date: October 21, 2021

Effective Date: October 1, 2021

Related CR Transmittal Number: R11056BP

Implementation Date: December 22, 2021

Provider Types Affected

This MLN Matters Article is for hospice providers submitting claims to Medicare Administrative Contractors (MACs), including Home Health & Hospice (HH&H) MACs, for services they provide to Medicare patients.

Provider Action Needed

CMS is making changes to the Medicare Hospice Benefit Policy Manual to include:

- Updates to the hospice election statement addendum
- Signature requirements for when a patient dies, revokes the election, or you discharge the patient
- Updates to the hospice cap calculation from 2025 to 2030

Make sure your billing staff knows about these changes.

Background

In the FY 2020 Hospice Wage Index and Payment Rate Update final rule ([84 FR 38520](#)), CMS addressed vulnerabilities in coverage transparency under the Medicare hospice benefit and finalized modifications to the election statement content requirements at 42 CFR 418.24(b). We also finalized a policy implementing the provision of an addendum to the election statement to increase coverage transparency. The content requirements for the hospice election statement addendum are in the regulations at section [42 CFR 418.24\(c\)](#).

In the FY 2022 Hospice Wage Index and Payment Rate Update final rule ([86 FR 42528](#)), we made clarifying regulations text changes to the requirements regarding the election statement addendum.

The following election statement addendum regulation text changes at [Section 418.24\(c\)](#) are effective October 1, 2021:

1. If the election statement addendum is requested within 5 days from the date of a hospice election, then the hospice would have 5 days from that request date to furnish the addendum. If the addendum is requested during the course of hospice care (that is, 5 days after the effective date of the hospice election), the hospice must provide this information, in writing, within 3 days of the request to the requesting individual (or representative), non-hospice provider, or Medicare contractor.
2. If the patient dies, revokes, or is discharged within the required timeframe after requesting the addendum, within 5 days or 3 days of the request (depending on when the request was made), and before you provided the addendum, you don't have to provide the addendum and this condition for payment would be considered satisfied.
3. If the patient requests the addendum and you provide it within 3 or 5 days (depending upon when the patient requested it), but the patient dies, revokes, or is discharged prior to signing the addendum, a signature from the individual (or representative) isn't required for condition for payment to be considered met.
4. You must include the "date furnished" on the addendum.
5. The "date furnished", rather than the signature date, must be within the required timeframe, 3 or 5 days of the patient or representative request, depending on when they made the request.
6. If a patient or representative refuse to sign a requested addendum, you must document clearly on the addendum the reason the addendum is not signed. This will mitigate a claims denial for this condition for payment.
7. You have 3 days rather than 72 hours to provide the requested addendum, when the patient requests it after the first 5 days of the hospice election date.
8. If a non-hospice provider requests the election statement addendum, the non-hospice provider doesn't need to sign the addendum.

If your MAC selects a claim for medical review and it's clear that you didn't provide the patient a requested addendum within the required time period, your failure to provide the addendum should result in a claim denial. Your MAC should request the addendum to go with any additional documentation request to mitigate such denial. A denial resulting from a violation of this specific condition for payment is limited to only the claim subject to review (it won't void the entire hospice election).

[Division CC, Section 404 of the Consolidated Appropriations Act, 2021](#) extended the accounting years affected by the adjustment to the hospice cap calculation until 2030. We'll update the hospice cap amount by the hospice payment update percentage rather than using the Consumer Price Index for Urban consumers (CPI-U) for accounting years that end after September 30, 2016, and before October 1, 2030. This provision will end for cap years ending after September 30, 2030. The annual update to the cap amount will return to the original method at that time.

More Information

We issued [CR 12491](#) to your MAC as the official instruction for this change. A revised Chapter

9, Sections 20 and 90, of the Medicare Benefit Policy Manual are an attachment to the CR.

For more information, [find your MAC's website](#).

Document History

Date of Change	Description
October 26, 2021	Initial article released.

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