



Value-Based Insurance Design Model: Hospice Benefit Component

Calendar Year 2024 Technical and Operational Guidance Supplement

Introduction

This document serves as a supplement to the Value-Based Insurance Design (VBID) Model Hospice Benefit Component [Calendar Year \(CY\) 2021 Technical and Operational Guidance](#). The CMS Innovation Center has reviewed the CY 2021 Technical and Operational Guidance and identified areas for further clarification based on participating Medicare Advantage Organizations' (MAOs') implementation experience and interested parties' frequently asked questions.

The CY 2021 Technical and Operational Guidance continues to be applicable to the VBID Model's Hospice Benefit Component. This supplement is being issued to provide additional information related to the following sections:

3. Guidance around Enrollment and Coverage Changes; and
9. Other Operational Guidance

Additional guidance on the Hospice Benefit Component may be found in other Model documents, including the Request for Applications for the Hospice Benefit Component of the VBID Model, VBID Hospice Benefit Component Monitoring Guidelines, VBID Model Hospice Benefit Component Phase 2 Network Adequacy Guidance, VBID Communications and Marketing Guidelines, and Final Hospice Capitation Payment Rate Actuarial Methodology. The most recent versions of these documents can be found here: <https://innovation.cms.gov/innovation-models/vbid>.

MAOs, hospice providers, and other interested parties are encouraged to email the VBID Model (VBID@cms.hhs.gov) directly with questions on this supplement.

Updates to Section 3: Guidance around Enrollment and Coverage Changes

Section 3 of the CY 2021 Technical and Operational Guidance provides guidance to Model-participating MAOs regarding enrollment and coverage change scenarios that may arise and potentially impact the following areas: (a) an enrollee's hospice coverage under the VBID Model; (b) coverage the Model-participating plan is required to provide during these changes aligned with existing regulations at 42 CFR 422, subpart B; and (c) applicable CMS payment to Model-participating MAOs for enrollee coverage during these changes. No eligibility or enrollment regulations or requirements are waived under the Model so those provisions continue to apply; changes in enrollment are only permitted in accordance with 42 CFR 422. This guidance addresses how those program rules apply in the context of the Hospice Benefit Component of the Model.

The content in the Technical and Operations Guidance on enrollment changes and MAO-driven changes continue to apply to and be relevant for the Model. Specifically, scenarios #1 through #5 in the CY 2021 Technical and Operational Guidance are applicable to current and future Model years when there is a newly Model-participating plan benefit package (PBP) with one additional clarification. For Scenario #3, the transition of the enrollee from the MA plan participating in the Model to Original Medicare would be subject to section 1853 of the Act, § 422.318 and other provisions in Title XVIII of the Act and 42 CFR Part 422 that apply to such transitions in enrollment from MA to Original Medicare.

Through this supplement, CMS provides additional scenarios that have arisen within the Hospice Benefit Component of the Model since it began in 2021. These take into consideration both enrollee-driven

changes, as well as potential changes to Model-participating MAOs and PBPs over time. CYs 2022 and 2023 are used in the scenarios and subsequent table, but these dates should be used only as a reference point and can be generalized across other Model years as well (e.g., 2022 and 2023 may be replaced with 2023 and 2024, respectively, in the scenarios below).

Some additional scenarios that may be encountered are described below and presented in Table 1:

- If a beneficiary elected hospice in 2022 while covered under Original Medicare, and then transfers to a Model-participating PBP in 2023, coverage of any care provided during the beneficiary’s hospice election under the Hospice Benefit Component depends on when the PBP began participating in the Model.
 - If the PBP began Model participation in 2022, and the beneficiary is still in an active hospice election when the beneficiary enrolls in the Model-participating plan in 2023, the beneficiary’s hospice and non-hospice care is covered by the newly Model-participating PBP starting on the first of the month of the beneficiary’s new coverage with new Model-participating PBP. The new Model-participating PBP will also cover Part D drugs (if coverage is included), transitional concurrent care, hospice care, and supplemental benefits, as applicable and aligned with its offerings, which may be different from what the beneficiary received when he or she originally elected hospice.
 - If the beneficiary elected hospice in 2022 while receiving coverage through Original Medicare and later switched coverage to a PBP which began Model participation in 2023 (and the beneficiary remained in hospice status), Original Medicare would remain as the primary payer of Part A hospice services. The beneficiary would not be eligible for hospice supplemental benefits or transitional concurrent care under the current hospice election. The Model-participating PBP would be responsible for all plan covered-services other than Part A hospice services consistent with § 422.320. This is consistent with the CY 2023 Model Addendum, Appendix 3, Section C.1 (“Payment Structure of the Hospice Benefit Component”).
- If a beneficiary elected hospice in 2022 while in a Model-participating PBP, and then the beneficiary enrolls in a non-participating PBP in 2023, Original Medicare would be responsible for the hospice care beginning in 2023. This would be the case as well if the beneficiary’s new PBP was participating in 2022 but ceased participation for 2023. Rules at § 422.320 apply for the non-participating PBP, starting the first of the month following the enrollee’s enrollment request. In these scenarios, any transitional concurrent care and hospice supplemental benefits would be discontinued starting the first of the month following the enrollee’s enrollment request. Additional guidance is available in the Medicare Managed Care Manual (MMCM) Ch. 4. Note that section 1853(g) of the Act and § 422.318 also apply to address certain payment responsibilities of the MA plan the beneficiary is leaving.

Updates to Section 9: Other Operational Guidance

Section 3 of the CY 2021 Technical and Operational Guidance provides guidance to hospice providers and Model-participating MAOs on preparing for a billing relationship in the context of the Model. This supplemental guidance provides clarification on billing and documentation in the context of the Hospice Benefit Component. Overall, CMS encourages Model-participating MAOs to process hospice claims as

outlined in Ch. 11 of the Medicare Claims Processing Manual to streamline the billing and payment process and ensure timely payment in Phase 1 of the Model.

The content in the CY 2021 Technical and Operational Guidance continues to apply and be relevant. The updates provided below clarify expectations for MAOs to have sufficient systems in place to process claims and notices, such as Notices of Election (NOEs) and Notices of Termination/Revocation (NOTRs), related to hospice coverage, as well as ensuring timely and accurate payments to hospice providers.

Accurate and timely processing of hospice claims from out-of-network hospice providers is a key element of the Hospice Benefit Component of the VBID Model and an important beneficiary protection. For example, Model-participating MAOs would experience significant difficulties in meeting the timely payment requirement for hospice providers in the absence of administrative systems that can accurately and timely accept hospice-related notices and claims. Further, MAOs must have administrative systems to meet the obligations of offering an MA plan, per 42 CFR § 422.503(b)(4).¹ MAOs must have administrative and management arrangements satisfactory to CMS across several categories of operations. The regulation specifically requires adequate “personnel and systems sufficient for the MA organization to organize, implement, control, and evaluate financial and communication activities, the furnishing of services, the quality improvement program, and the administrative and management aspects of the organization.” See also 42 CFR § 422.504 (minimum contract terms on provision of services, compliance with coverage determinations and appeals processes, maintenance of records, etc.). The performance of the MAO’s systems must be consistent with and meet the requirements of Title XVIII, Part C of the Act and 42 CFR Part 422 and, for participating MAOs, the Model.

In the CY 2021 Technical and Operational Guidance, the CMS Innovation Center did not identify specific administrative systems (e.g., electronic submission of claims and notices via clearinghouse, electronic submission of claims and notices via email, manual submission of claims and notices via fax, etc.) which would satisfy the various operational requirements of the Hospice Benefit Component. Given the novelty of the relationships between Model-participating MAOs and hospice providers, we believe that offering flexibility to the Model-participating MAOs to develop administrative systems, in collaboration with hospice providers, would better serve both parties rather than a CMS-prescribed list of types of systems. We continue to believe this is the case.

However, MAOs remain obligated to have and maintain adequate administrative systems to operate the MA plan and to fulfill their obligations under the Model. CMS’ monitoring and oversight of the MA program and the Model may include review of the various administrative systems of the Model-participating MAOs and their ability to meet the operational requirements of the Hospice Benefit Component. This includes, but is not limited to, systems that process and price hospice claims, process notices, and communicate with hospices. For example, Model-participating MAOs must have the ability to reliably and consistently accept and maintain the necessary documentation and information supporting claims. For the Hospice Benefit Component, that includes an adequate system for accepting, retaining, and tracking NOEs and NOTRs, including issuing notices to hospice providers that Model-participating MAOs are in receipt of the various notices and claims submitted by hospice providers. In

¹ <https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-B/part-422/subpart-K/section-422.503>

the absence of adequate systems such as this, Model-participating MAOs would not be able to enforce timely filing requirements.

Model-participating MAOs must also maintain adequate administrative systems to ensure timely and accurate payments to hospice providers. We reiterate the disclaimer currently published alongside the CMS Hospice Prospective Payment System (Hospice PPS) Web Pricer: “The Web Pricers are a tool used to estimate Medicare PPS payments only. The final estimate may not match payments determined in the Medicare claims processing system due to the fact that some data is factored in the Web Pricer estimate amount that is paid by Medicare via provider cost reports. A variance between actual Medicare payment and a Web Pricer estimate may exist as there is a lag in quarterly updates to provider data.” Therefore, CMS would have significant concerns about a participating MAO’s ability to maintain adequate administrative systems if the participating MAO solely used the CMS Hospice PPS Web Pricer to determine payments to out-of-network hospice providers. Participating MAOs are ultimately responsible for ensuring out-of-network hospice providers are paid 100% of the Medicare FFS rate. CMS strongly encourages participating MAOs to review the most recent regulations and notices pertaining to hospice care² alongside the most recent hospice wage index files³ to ensure accurate payment.

Finally, we also strongly encourage Model-participating MAOs to be receptive to hospice provider feedback on the administrative systems being used to process claims and notices, among other functions. A significant number of hospice provider complaints regarding these topics could indicate the need for further improvement. The CMS Innovation Center may also reach out to directly to investigate the Model-participating MAOs if the CMS Innovation Center identifies a pattern of hospice provider complaints that point to an inability to administer the requirements of the Hospice Benefit Component.

² Please refer to this webpage for a listing of proposed and finalized regulations and notices about Medicare hospice payment: <https://www.cms.gov/medicare/medicare-fee-for-service-payment/hospice/hospice-regulations-and-notices>

³ Please refer to this webpage for a listing of the hospice wage index files: <https://www.cms.gov/medicare/medicare-fee-for-service-payment/hospice/hospice-wage-index>

Table 1. Payment Coverage Scenariosⁱ

| Date of Member Enrollment in Model Participating PBP | Hospice Election Date | Date of Revocation or Live Discharge | Date of Hospice Re-election | Original Medicare is Responsible for Hospice | Date FFS Medicare is responsible for claims during a hospice stay | Date FFS Medicare is responsible for non-hospice claims during post live-discharge | Model-Participating MAO is Responsible for Hospice ⁴ | Date MAO is responsible for claims during a hospice stay |
|---|-----------------------|--------------------------------------|-----------------------------|--|---|--|--|---|
| PBP Effective in 2022 (i.e., PBP is participating newly in VBID-Hospice in 2022) | | | | | | | | |
| 1/1/22 | 3/6/22 | N/A | N/A | No | N/A | N/A | Yes | 3/6/22 – discharge |
| 1/1/22 | 11/1/21 | N/A | N/A | Yes | 11/1/21 - discharge | N/A | No | N/A |
| 1/1/22 | 10/21/21 | 3/2/22 | N/A | Yes (First hospice stay only-discharge) | 10/21/21 – 3/2/22 | Month of discharge (3/2/22 - 3/31/22) | No (Beginning 4/1/22 for non-hospice) | N/A (no reelection) |
| 1/1/22 | 12/11/21 | 1/15/22 | 2/8/22 | Yes (First hospice stay only-discharge) | 12/11/21 – 1/15/22 | Month of discharge (1/15/22 - 1/31/22) | Yes (Beginning 2/1/22 for non-hospice and second hospice stay)) | 2/8/22 – discharge |
| 1/1/2022 | 6/15/21 | 2/2/22 | 2/25/22 | Yes (First hospice stay only-discharge) | 6/15/21 – 2/2/22 | 2/2/22 – 2/24/22 | Yes (Second hospice stay only) | 2/25/22 – discharge |
| PBP Effective in 2022 Only (i.e., PBP is participating newly in VBID-Hospice in 2022 and discontinued participation in VBID-Hospice in 2023) | | | | | | | | |
| 1/1/22 (and continues enrollment in plan in 2023) | 6/15/22 | 2/2/23 | 5/2/23 | Yes (Second hospice stay only) | 5/2/23 – discharge | N/A | Yes (First hospice stay only) | 6/15/22 – 2/2/23 (MAO responsible for non-hospice claims, post-live discharge) |
| PBP Effective in 2022 and 2023 (i.e., PBP is participating in VBID-Hospice in 2022 and 2023) | | | | | | | | |
| 1/1/23 | 8/1/22 | N/A | N/A | Yes | 8/1/22 – 12/31/22 | N/A | Yes | 1/1/23 – discharge |
| PBP Effective in 2023 (i.e., PBP is participating newly in VBID-Hospice in 2023) | | | | | | | | |
| 1/1/23 | 10/21/22 | 3/2/23 | N/A | Yes | 10/21/22 – 3/2/23 | Month of discharge (3/2/23 - 3/31/23) | No (Beginning 4/1/23 for non-hospice) | N/A (no reelection) |

ⁱ Dates are examples and should be used as a general guide.

⁴ Please note that participating MAOs that are not responsible for covering care during an enrollee’s hospice election, as outlined in this table, must maintain an enrollee’s access and coverage of any applicable supplemental benefits and any applicable Part D coverage, per § 422.320.