

April 3, 2023

CMS Issues FY 2024 Hospice Proposed Payment Rule

On Friday (March 31), the Centers for Medicare & Medicaid Services (CMS) issued the Fiscal Year (FY) 2024 Hospice Payment Rate Update Proposed Rule. In the rule, CMS proposed payment rate updates for hospices for FY 2024, as well as updates to the Hospital Quality Reporting Program (HQRP), telehealth waiver deadlines, and physician certification requirements.

CMS is accepting public comments on the proposals until May 30, 2023.

- [Fact Sheet](#), [Proposed Rule](#)

Summary of key provisions

FY 2024 payment rates. CMS proposed increasing payments to hospices by 2.8%, or \$720 million, compared with FY 2023. The proposed payment rate is the summation of a 3.00% market basket update and a -0.2 percentage point productivity adjustment. In addition, CMS proposed a \$33,396.55 cap on overall per patient payments made to a hospice annually.

CMS also noted that as required by the Consolidated Appropriations Act of 2021 it increased the penalties for failing to meet hospice quality reporting requirements from 2 percentage points to 4 percentage points. As a result, CMS said hospices that do not submit the required quality data would see a negative FY 2024 hospice payment update of -1.2%.

Hospice Quality Reporting Program (HQRP) updates

CMS proposed to codify the HQRP data completion threshold policy requiring hospices to meet or exceed a data submission threshold of 90% of all required information within 30 days of a patient event. CMS also said it is continuing to develop a new patient assessment instrument, titled Hospice Outcomes & Patient Evaluation (HOPE), finalized in the FY 2020 hospice payment rule. CMS said it will provide additional information on the status of HOPE on the HQRP website in late Spring 2023.

CMS also provided an update on future quality and efforts to develop health equity measures, saying it is continuing to develop and review measures. CMS said it has convened a health equity technical expert panel to help inform the development of health equity quality measures and that final recommendations from the panel will be available in 2023. CMS made reference to its proposed “Universal Foundation” of metrics, saying it will be looking at ways to “identify foundational measures in other specific settings and populations to support further measure alignment across CMS programs.”

Other updates and RFIs

Telehealth: CMS in the rule also proposed changing the effective end dates of certain telehealth waivers to align with those extended via the Consolidated Appropriations Act, 2023 and the upcoming end of the public health emergency (PHE). For example, CMS proposed extending a waiver allowing hospice recertifications via telehealth for routine home care through December 31, 2024, and proposed to end the flexibility allowing hospices to provide routine home care via telecommunications on May 12, 2023, to align with the end of the PHE.

Physician certification: CMS also proposed changes to physician certification requirements for the hospice Medicare benefit, saying the changes are part of a broader effort this year to address fraud, waste and abuse within the hospital program. The proposed rule would require providers who order or certify hospice services for Medicare beneficiaries either be enrolled in Medicare or validly opted-out as a prerequisite for payment for the hospice period of care in question.

RFIs: The proposed rule also includes requests for information (RFIs) on Hospice Utilization; Non-Hospice Spending; Ownership Transparency; Hospice Election Decision-Making; and Health Equity under the Hospice Benefit.

If you have questions, please contact [Heather Meade](#) or [Heather Bell](#).

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