

HOSPICE FINANCIAL CAPS

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CAPS ON HOSPICE PAYMENTS

Two caps affect Medicare payments under the hospice benefit:

- **The Inpatient Day Limitation:** The number of days of inpatient care furnished is limited to not more than 20 percent of total patient care days.
- **The Aggregate Cap Limitation:** Medicare reimbursement to a hospice is limited by their Aggregate Cap amount in each cap year. The aggregate cap amount is determined by multiplying the allowable Medicare beneficiary count by the statutory cap for the particular cap year.



INPATIENT DAY LIMITATION

Total for both general inpatient (0656) and inpatient respite care (0655) may not exceed 20% of the total Medicare days reported by the hospice for the cap year.

- If exceeded, adjustment is made to convert the excess general inpatient and inpatient respite days to routine care home care (651) days.
- Inpatient cap is calculated by the Medicare contractor after the end of the hospice's cap year.



AGGREGATE CAP LIMITATION

Limits the total Medicare reimbursement amount by establishing a ceiling based on the Statutory Cap amount multiplied by the number of beneficiaries allowed in the cap period

- Statutory Cap amounts are published in the *Federal Register* each year.
- Two methodologies for counting beneficiaries
 1. **Streamlined Method (SL)** – available only to those hospices that have elected to retain the SL method back in the 2012 cap year
 2. **Proportional Method (PP)** – Must be used by all other hospices



SELF-DETERMINED HOSPICE CAP REPORT (SDHC)

Hospices must make a self-reporting of their current cap position to their Medicare contractor no later than 5 months after the end of the cap year and must use data extracted no earlier than 90 days from cap year end, and, remit any overpayment due at that time.

- If hospices fail to file 5 months after the end of the cap year, payments are suspended.



OBTAINING NECESSARY REPORTS

To assist hospices in preparing their SDHC reporting, hospices can obtain their Provider Statistical & Reimbursement (PS&R) summary and Hospice Beneficiary Count reports from the CMS website at <https://psr-ui.cms.cmsnet/psr-ui>

Reference: Medicare Benefit Policy Manual, Pub 100-02, Chapter 9, Section 90 - <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c09.pdf>

** For Hospice Cap questions, please be sure to contact the Medicare Administrative Contractor (MAC) that processes your claims for reimbursement.