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| 1 | Several commenters requested clarity in the proposed instructions. Commenters noted the proposed hospice cost report looks like a hospital cost report and does not identify areas of cost relevant to the services hospices provide. | We understand the commenters' concerns. We are proposing revisions to the hospice cost report to comply with Section 3132 of ACA which requires the Secretary to collect cost and statistical information by type of service to revise hospice payments. In response to concerns raised by commenters, we are proposing: 1) revisions to forms to eliminate collection of unnecessary data and to streamline the collection of required data; and, 2) clarifications of instructions to facilitate the collection of required data. |
| 2 | We received comments on patient assessments, diagnosis/ coding requirements, quality reporting requirements, hospice item set, Hospice Experience of Care survey, hospice wage index, payment rate update, and payment reform. | We acknowledge the commenter’s concerns; however, the comments are beyond the scope of the proposed revisions to hospice cost reporting forms and instructions. |
| 3 | Various commenters noted that this proposed cost report does not capture costs of provider-based hospices including hospital-based, public health based, and health system based. Additionally, a commenter suggested that provider-based hospice forms be revised to report Title XIX data as on WS S-1 of the new form. | We are proposing changes to the hospice cost report Form CMS-1984-14 at this time. After issuing the final revisions to the Form CMS-1984-14, we will propose revisions to cost reports for the remaining scope of providers. |
| 4 | Numerous commenters expressed concern that the effective date of the new cost report will not provide enough time for hospices to adapt to new changes resulting in inaccurate and flawed data. Commenters noted hospices need time to adjust financial recordkeeping and administrative processes to prepare for new reporting requirements. | We are delaying the effective date of the proposed cost reporting forms and instructions to cost reporting periods beginning on or after October 1, 2014. |
| 5 | Commenters suggested additional ECR edits be created to increase accuracy of the cost report submission. | We will take the commenters' suggestion into consideration when developing the ECR edits in the cost report specifications upon finalizing the forms and instructions. |
| 6 | Commenters expressed concern about the quality and accuracy of level of care data collected on the proposed cost report. Commenters suggested CMS clarify instructions and revise forms. Commenters questioned the proposed revisions of a cost report not used for reimbursement. | We appreciates the commenters’ suggestions to ensure the reliability of data collected. The Social Security Act at 1814(i)(1)(A) requires payment for hospices services be an amount equal to the costs which are reasonable and related to the cost of providing hospice care. We are revising the cost reporting forms and instructions for greater clarity. With hospices certifying and ensuring the accuracy of the cost report data, the proposed cost report will be used to revise future payments for hospice care. |
| 7 | Commenters suggested using claims data rather than proposed cost report data. | Section 3132 of ACA requires the Secretary to collect cost and statistical information by type of service to revise hospice payments. While claims can provide charge and statistical information for Medicare services, the proposed cost report collects the cost and statistical data for all services, both Medicare and non-Medicare, provided by the hospice. |

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| 8 | Commenters noted the increased cost and workload burden required to report hospice services by level of care and commented that the estimated costs are understated. | We are proposing revisions to the hospice cost report to comply with Section 3132 of ACA which requires the Secretary to collect cost and statistical information by type of service to revise hospice payments. In response to concerns raised by commenters, we are proposing: 1) revisions to forms to eliminate collection of unnecessary data and to streamline the collection of required data; and, 2) clarifications of instructions to facilitate the collection of required data. |
| 9 | Commenters requested clarification to Worksheet S, Part I instructions for the requirement for electronic filing. | We are revising the proposed cost reporting instructions for Worksheet S, Part I consistent with CMS Pub. 15-2, section 110. |
| 10 | Commenters expressed concerns about reporting home office information on Worksheet S, Part I when the home office does not have a home office number or when there is more than one home office. | Typically a hospice should only receive costs from one home office. When multiple home offices exist, the hospice must ensure there are no duplications of services. When an organization has a parent home office and regional home offices, the parent home office should allocate costs to the regional home offices. If the parent home office incurred cost related to a specific hospice, the costs will be allocated to the regional home office and the regional home office will allocate to a hospice. In this organizational structure, the only home office required to be reported on the hospice is the regional home office that actually allocates costs to the hospice. When a home office number has not been assigned, the costs incurred by the hospice are considered related party costs and are reported on Worksheet A-8-1 in accordance with 42 CFR 413.17. |
| 11 | Several commenters questioned the benefit of reporting over the counter drugs on Worksheet S-1, Part I given the difficultly of tracking and reporting the over the counter drugs. | We are revising the proposed forms and instructions to remove this reporting requirement from Worksheet S-1, Part I. |
| 12 | A commenter suggested using billing records as source for Medicare days on Worksheet S-1, Part II. | We are revising the proposed instructions on Worksheet S-1, Part II to clarify reporting of days by level of care. |
| 13 | A commenter noted that the unduplicated census count and the average length of stay reported on Worksheet S-1, Part II will be inaccurate based on the proposed cost reporting instructions. The commenter suggested eliminating these lines. | We are eliminating this reporting requirement from the proposed Worksheet S-1, Part II. |
| 14 | Several commenters applauded incorporating the Form CMS-339 in forms and instructions. However some commenters questioned collecting Provider Statistical & Reimbursement (PS&R) report data on Worksheet S-2 and the documentation requirements. | Incorporating the Form CMS-339 into the proposed hospice cost report is consistent with the CMS goal to alleviate unnecessary burden. The Worksheet S-2 incorporates only those questions applicable to hospices. Incorporating the Form CMS-339 questions into the proposed cost report does not eliminate the documentation requirements that previously existed. |
| 15 | Several commenters expressed concern that the proposed cost report Worksheet A is too detailed and will not yield data relevant to hospice services. Commenters suggested using a smaller set of overhead expenses to allocate to the level of care. | After reviewing the proposed Worksheet A general service cost centers with the goal of reducing provider burden while still achieving the proper reporting of cost by level of care as required by ACA, we are revising the statistical bases for several cost centers, thereby reducing the burden of maintaining numerous statistics. |

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| 16 Commenters noted the services of Medical Social Services, Spiritual Counseling, and Counseling-Other are hospice professional staff disciplines and suggested reporting the costs as Direct Patient Care costs on Worksheet A. | We agree with the commenters and are revising the cost reporting forms and instructions accordingly. |
| 17 Commenters noted that physicians' general supervisory activities cover all levels of care and costs for those activities should not be mingled with costs for direct patient care services on Worksheet A. Commenters expressed concern in identifying the Physician Services administrative time by level of care. | We agree that the costs of physicians' administrative time are hospice Administrative & General costs. We are modifying the forms and clarifying the instructions accordingly. |
| 18 Commenters suggested reporting costs of nurse practitioners rendering nursing care as physician services on Worksheet A. | The Social Security Act at 1814(i)(1)(A) requires payment for hospice services be an amount equal to the costs which are reasonable and related to the cost of providing hospice care. Section 3132 of ACA requires the Secretary to collect cost and statistical information by type of service to revise hospice payments. Differentiating the costs of nurse practitioner activities between physician services and nursing services is necessary for determining the cost by type of practitioner providing the care. Therefore, the instructions for reporting nurse practitioners remain as proposed. |
| 19 Commenters suggested reporting costs of durable medical equipment on a monthly basis or reporting all costs as Routine Home Care unless the equipment was specifically ordered for another level of care. | We agree with the commenters' suggestion and are revising the instructions accordingly. |
| 20 Commenters noted that current hospice billing does not require charges for non-routine medical supplies. | We agree with the commenters' suggestion and are revising the instructions for Worksheet A, Medical Supplies - Non-routine accordingly. |
| 21 Commenters noted the Worksheet A instructions for Bereavement Program appeared inconsistent with current Conditions of Participation that require hospices offer bereavement services both before and after a patient's death. Commenters requested CMS clarify the instructions for reporting post-death bereavement costs and counseling before death. Another commenter requested guidance in reporting costs of bereavement services provided to the public. | We agree that the Hospice Conditions of Participation define bereavement services as occurring before and after the patient's death. While hospices are required to provide bereavement services, the Social Security Act 1814(i)(1)(A) explicitly excludes payment for bereavement services. We are revising the cost reporting instructions consistent with the Hospice Conditions of Participation. |
| 22 Commenters requested a distinction between costs of Volunteer Coordinator and Volunteer Program cost centers on Worksheet A. | The conditions of participation in 42 CFR 418.78 provide guidance on the use and role of volunteers in hospices. The CMS Pub. 15-1, chapter 7, provides guidance reporting costs of nonpaid workers (volunteers), with §707 providing specific guidance for reporting nonallowable costs of nonpaid workers. As noted in §700, the cost of a paid director of volunteers (i.e., a volunteer coordinator) is an allowable cost. We are clarifying the Worksheet A instructions to include the CMS publication references providing guidance on reporting volunteers. |

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| 23 Commenters requested a clarification of allowable and nonallowable Community Education costs on Worksheet A. Commenters noted that the CMS Pub. 15-1 § 2136 allows some advertising costs and requested clarification consistent with the CMS Pub. 15-1. | After reviewing the proposed nonreimbursable cost centers with the goal of reducing provider burden while still achieving the proper reporting of costs by level of care as required by ACA, we are revising the proposed forms to combine the Marketing cost center together with the Community Education cost center into one cost center named Advertising. We are clarifying the Worksheet A instructions for nonallowable advertising costs consistent with CMS Pub. 15-1, chapter 21, § 2136. |
| 24 Commenters questioned telehealth and telemonitoring as nonreimbursable cost centers on the proposed Worksheet A. | Regulations at 42 CFR 410.78(b)(3) define approved originating sites for telehealth services. Since hospices are not listed as an approved originating site, telehealth/telemonitoring services provided by a hospice are nonallowable. |
| 25 Commenters noted payments for room and board are not pass-through payments and, therefore, should be reported at gross amounts on Worksheet A and not netted against the expenses associated with Nursing Facility Room & Board. | For hospice individuals eligible for both Medicare and Medicaid (dual-eligible beneficiaries), Medicare pays for their hospice care while Medicaid pays for their room and board in a nursing facility if the individual otherwise qualifies for Medicaid-covered nursing home care. The intent of the Nursing Facility Room & Board cost center is to capture the net cost where hospices are incurring additional cost for dual-eligible beneficiaries when the hospice receives the Medicaid payment for room and board for the dually eligible beneficiary. When dual-eligible beneficiaries reside in a nursing facility and the room and board is paid by the State to the hospice, the hospice reports the incurred expenses at the gross amount on Worksheet A, column 2. The amounts reported in column 2 are adjusted on Worksheet A-8 by amounts Medicaid paid to the hospice for Nursing Facility Room & Board. Dual-eligible beneficiaries residing in a long-term nursing facility receive a home level of care. Medicare does not cover the cost of room and board for a home level of care. Any difference between the Medicaid payment and the hospice payment to the NF is nonallowable room and board cost. |
| 26 Commenters noted reporting costs by level of care will be a challenge. Commenters asked how to report travel time when a nurse sees a RHC and IRC patient in the same facility, how to report DME when patient changes level of care, and how to report patient transportation costs when transporting a patient from an inpatient level of care to a home level of care. | We appreciate the commenters' interest in correctly reporting costs of direct patient care services by level of care. We are clarifying the instructions for reporting costs of staff travel time, DME/Oxygen, and patient transportation by level of care. |

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| 27 Commenters suggested using square feet as an alternate basis to dollar value to allocate costs for Movable Equipment on Worksheets B and B-1. | We are retaining the proposed statistical basis of dollar value to allocate costs for Movable Equipment on Worksheets B and B-1. While that statistical basis is the recommended basis of allocation, if a more accurate result is obtained by allocating costs on an alternative basis (i.e., square feet), the hospice must request approval in accordance with CMS Pub. 15-1, chapter 23, §2313. |
| 28 Commenters requested clarification of instructions to indicate that A&G costs are not allocated to contracted inpatient services on Worksheets B and B-1. | We agree with the commenters' suggestion and are revising the Worksheet A instructions accordingly. |
| 29 Commenters noted the difficulty in maintaining records for statistics to allocate proposed general service cost centers such as Laundry & Linen, Housekeeping, and Dietary on Worksheets B and B-1. Commenters suggested using patient days as a basis to allocate general service cost centers. | Consistent with the CMS goal to alleviate unnecessary burden, we are revising the proposed statistic bases to allocate costs on Worksheets B and B-1 as follows: Plant Operation and Maintenance to square feet; Laundry & Linen to in-facility days; Housekeeping to square feet; Dietary to in-facility days; Routine Medical Supplies to patient days; and, Medical Records to patient days. |
| 30 Commenters suggested using nursing salaries as a basis to allocate the costs of Nursing Administration on Worksheets B and B-1. Commenters requested the instructions be clarified to include hospice aide hours in the allocation statistic. | After considering alternatives for allocating costs of nursing administration on Worksheets B and B-1, we determined that the proposed statistical basis provides an appropriate measure for allocation of costs for the majority of hospices; therefore, we are retaining the proposed statistical basis. The proposed statistical basis for Nursing Administration includes the direct hours of all nursing staff supervised by the Nursing Administrator, including hospice aides. A hospice may use an alternative basis for allocation if the basis results in a more accurate result; however, the hospice must request approval to use the alternative basis in accordance with CMS Pub. 15-1, chapter 23, §2313. |
| 31 Commenters suggested allocating pooled vehicle costs and direct costing mileage reimbursement by level of care on Worksheets B and B-1. | We considered alternatives for allocating staff transportation costs on Worksheets B and B-1 and determined that the proposed methodology of reporting staff transportation in this cost center provides hospices with the ability to directly assign mileage reimbursement to appropriate levels of care through reclassifications on Worksheet A-6 and to allocate pooled vehicle costs through the Worksheet B series. Therefore, the allocation will remain as proposed. |
| 32 Commenters requested clarification for reporting pharmacy costs on Worksheets B and B-1 when the hospice pays for drugs on a per diem. Commenters suggested alternative methods of reporting pharmacy costs including reporting medications on a monthly basis, allocating medications to routine home care unless specifically ordered for another level of care, and reporting on a per-diem or patient days as basis. | We recognize the commenters' concerns and are revising the statistical basis of the Pharmacy cost center to charges to allocate costs on Worksheets B and B-1. While the recommended basis for allocation is charges, a hospice may use an alternative basis for allocation if the basis results in a more accurate result; however, the hospice must request approval to use the alternative basis in accordance with CMS Pub. 15-1, chapter 23, §2313. |

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| 33 Commenters noted the costs in the Patient Care Services cost center should be allocated to the nonreimbursable cost center, Residential Care, as well as hospice inpatient care cost centers on Worksheet B. | We agree that the proper allocation of the proposed Patient Care Services cost center includes allocating to both the hospice inpatient cost centers and the nonreimbursable residential care cost center. We are revising the Worksheet B and B-1 instructions to clarify the costs in the cost center, now named Patient/Residential Care Services, are allocated on the basis of in-facility days, a statistic that includes inpatient respite care, general inpatient care, and residential care days. |
| 34 Commenters questioned the proposed collection of data such as social worker, square feet, or volunteer hours on Worksheets B and B-1. | Section 3132 of ACA requires the Secretary to collect cost and statistical information by type of service to revise hospice payments. The Social Security Act at 1814(i)(1)(A) requires payment for hospices services be an amount equal to the costs which are reasonable and related to the cost of providing hospice care. The statistical bases proposed for the cost centers on Worksheet B-1 were selected after considering which bases provides an appropriate measure for allocation of general service costs to those cost centers receiving services, and for determining the cost of providing hospice care. |
| 35 Commenters requested clarification of instructions for the Statement of Revenues and Operating Expenses and suggested adding a line to report contractual adjustments. | We agree with the commenters' suggestion and are revising the proposed cost reporting forms and instructions accordingly. |
| 36 Suggest retaining Statement of Changes in Fund Balances. | We agree with the commenters' suggestion and are revising the proposed cost reporting forms and instructions accordingly. |