

Comment

Response

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| <p>1 We received comments that the average length of stay (ALOS) statistic was removed from the freestanding hospice cost report (form CMS-1984-14) due to concerns that elements included in the calculation were incorrect, and therefore the statistic was not meaningful. However, it is believed that if appropriately calculated it has value and should be added back to both the freestanding and hospital-based hospices. The statistic should be based on patients discharged during the cost reporting year.</p> | <p>We appreciate the commenter's suggestion to include the ALOS statistic in the hospital-based hospice cost report (form CMS-2552-10). However, CMS has made the determination to remove the ALOS statistic from the proposed hospital-based hospice worksheets as CMS will capture ALOS data from claims submitted for hospice services. The elimination of the ALOS statistic in the proposed hospital-based hospice cost report is consistent with the removal of the ALOS statistic from the recently approved freestanding hospice cost report (form CMS-1984-14).</p> |
| <p>2 Several commenters noted that hospital-based hospice pharmacy costs are directly related to patient care services, these costs should not be classified as a general service cost center but should be included in the direct patient care service cost centers.</p> | <p>We appreciate the commenters concerns regarding the classification of hospital-based hospice pharmacy costs as a general services cost center, however, the pharmacy costs may benefit the entire patient population, including non-reimbursable cost centers. The pharmacy cost center must be placed in the general service cost center and allocated to all applicable cost centers based on the approved statistical basis to ensure both level of care and non-reimbursable cost centers receive the proper costs.</p> |
| <p>3 Commenters recommended that CMS revert to the option of allocating Capital Related Movable Equipment costs to dollar value or square feet as opposed to the proposed recommended allocation statistic of dollar value in the proposed hospital-based hospice cost report.</p> | <p>We appreciate the commenters suggestion to add square feet as an alternative recommended basis. Dollar value is the more appropriate basis as it is the actual cost of the assets in which depreciation is being spread. While the statistical basis of dollar value is the recommended basis of allocating Capital Related Movable Equipment, if a more accurate result is obtained by allocating costs on an alternative allocation basis (i.e., square feet), the provider may request approval to use an alternative basis in accordance with CMS Pub. 15-1, chapter 23, §2313.</p> |
| <p>4 Commenters noted that for the hospital-based hospice, the Volunteer, Plant Operations & Maintenance, and Staff Transportation cost centers should be listed prior to the Administrative and General (A&G) cost center which would allow allocation of these costs to the A&G cost center.</p> | <p>We thank the commenters for their suggestion; however, in accordance with CMS Pub. 15-1, chapter 23, §2306.1, nonrevenue-producing general service cost centers serving the greatest number of other nonrevenue-producing general service cost centers are allocated first. We believe the proposed allocation sequence of the hospital-based hospice general service cost centers complies with the referenced citation, and therefore, we will retain the proposed sequence of the hospital-based hospice general service cost centers.</p> |
| <p>5 Commenters requested CMS to clarify the purpose of the Housekeeping cost center, and were unclear whether this cost center is expected to include housekeeping related to a hospice's facility and/or housekeeping or cleaning of administration office space, or if it's more appropriate to put such costs in the Plant Operations and Maintenance cost center.</p> | <p>We appreciate the request for guidance and clarification. We will clarify the instructions for the proposed Worksheet O, line 7 to include housekeeping costs for both patient related and nonpatient related areas. The Plant Operation and Maintenance cost center includes the cost of maintaining the physical plant, (i.e., the heating, ventilation, and air conditioning systems; and plumbing and lighting) as distinguished from housekeeping activities which includes services related to maintaining the general cleanliness of the interior facility such as sweeping, dusting, mopping, vacuuming, changing bedding, and collecting the contents of wastebaskets and trashcans.</p> |

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6 Commenters suggested that nursing facility room and board should not be treated as a “pass through” transaction. They encourage CMS to adapt the appropriate treatment and/or adjustment of the Nursing Facility (NF) room and board cost to ensure that no administrative costs are allocated to this cost center.

In order to ensure that no administrative costs are allocated to the nursing facility room and board cost center on proposed Worksheet O-6, line 70, Parts I and II, CMS shaded the entire row.

7 Numerous commenters expressed concern that the effective date of the changes to the proposed hospital-based hospice worksheets will not provide enough time for hospices to modify and adapt the new worksheets resulting in inaccurate and flawed data. Commenters noted providers need time to adjust financial recordkeeping and administrative processes to prepare for new reporting requirements.

We appreciate the suggestion provided by several commenters to delay the implementation date of the hospital-based hospice worksheets. We agree and are delaying the effective date of the proposed hospital-based hospice worksheets to cost reporting periods beginning on or after October 1, 2015. However, since the hospital-based Federally Qualified Health Centers (FQHC) are mandated to be effective for cost reporting periods beginning on or after October 1, 2014, CMS will be unable to change that effective date.

8 One commenter suggested CMS provide a separate breakdown of the estimated increased financial burden for hospital-based hospices and FQHC's so that the burden estimate of the changes can be assessed more accurately.

We appreciate the commenter's suggestion. The hospital health care complex cost report burden hours is based on an a combination of the stand-alone hospital burden hours and the hospital complex burden hours. The additional burden for freestanding cost reporting forms is provided in the individual Paperwork Reduction Act supporting statements and in the disclosure statement on the applicable Worksheets S for the freestanding hospice (form CMS-1984-14) and freestanding FQHC (form CMS-222-14), respectively.