

**State of Vermont**  
**Department of Vermont Health Access**  
312 Hurricane Lane, Suite 201  
Williston VT 05495-2807  
[dvha.vermont.gov](http://dvha.vermont.gov)

[Phone] 802-879-5900  
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*Agency of Human Services*

Providers,

Please review the following Hospice fee schedule change summary and proposal. With this communication, the Reimbursement Unit is inviting comments and feedback on the frequency of updates and/or impacts to this fee schedule you may have.

Any comments should be submitted to the DVHA Reimbursement Unit by the due date specified. Your comments must be received by the due date to be considered before the final proposed rates are implemented.

Send Comments to: DVHA Reimbursement Unit  
312 Hurricane Lane, Suite 102  
Williston, VT 05495  
[AHS.DVHAReimbursement.vermont.gov](mailto:AHS.DVHAReimbursement.vermont.gov)

Thank you for your consideration,



Tom Boyd, Deputy Commissioner of Health Reform



**Comments Due: 12/24/2015**

**Proposed Effective Date: 01/01/2016**

**Explanation of Fee Schedule:**

The fee schedule reflects the new payment methodology for Routine Home Care (RHC) and the implement of Service Intensity Add-On payment (SIA) as established in the final Medicare hospice rule published on August 6, 2015 (CMS-1629-F) with an expected implementation date of 1/1/2016. Please refer to the following link:

<https://www.federalregister.gov/articles/2015/08/06/2015-19033/medicare-program-fy-2016-hospice-wage-index-and-payment-rate-update-and-hospice-quality-reporting>

**Background:**

Each federal fiscal year (FFY) the DVHA updates hospice rates to reflect changes that CMS will publishes in the final Medicare Hospice Rules before the beginning of a new FFY. The new rates are effective 10/1/2015 and the DVHA has updated the new hospice rates.

**Proposal:**

The DVHA proposes to implement on 1/1/2016 the new payment methodology for Routine Home Care (RHC) for the two per diem rates that will result in a higher base payment for the first 60 days of hospice care and a reduced base payment rate for the days thereafter. The new Medicare hospice rules also established a service intensity add-on payment (SIA) for services provided by a registered nurse or social worker during the last seven days of a beneficiary's life. The new SIA Payment will be made in conjunction with the RHC payment for a visit by a social worker or a registered nurse (RN) in the last seven days of life. The SIA payment will equal the Continuous Home Care hourly rate. The payment is limited up to a maximum of 16 -15 minute units per day with a maximum of 112 - 15 minute units over the last seven days of life

The fiscal impact of the implementation of this new payment methodology for Routine Home Care (RHC) is an estimated annualized increase in payments of \$58,172 for SFY 2016. The fiscal impact of the implementation for the SIA payments has a range of \$5,000 up to maximum of \$24,000 for the SFY 2016.

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| FFY 2016 Rates Effective 1/1/16          |          |       |            |                  |           |
|--|----------|-------|------------|------------------|-----------|
| Description                              | Rev Code | Days  | Total Rate | Non-Wage Portion | Wage Base |
| <b>Base Rate Without 2015 Wage Index</b> |          |       |            |                  |           |
| Routine Home Care- Per Diem              | 651      | 0 -60 | 187.08     | 58.54            | 128.54    |
| Routine Home Care- Per Diem              | 651      | 61 +  | 147.02     | 46.00            | 101.02    |

| <b>Rate with 2015 Vermont Rural Wage Index .9517</b> |          |       |            |                  |           |
|--|----------|-------|------------|------------------|-----------|
| Description  | Rev Code | Days  | Total Rate | Non-Wage Portion | Wage Base |
| Routine Home Care-Per Diem                           | 651      | 0 -60 | 181.00     | 58.54            | 122.46    |
| Routine Home Care-Per Diem                           | 651      | 61 +  | 142.24     | 46.00            | 96.24     |

| <b>Rate with 2015 Vermont Urban Wage Index 1.0121</b> |          |       |            |                  |           |
|---|----------|-------|------------|------------------|-----------|
| Description   | Rev Code | Days  | Total Rate | Non-Wage Portion | Wage Base |
| Routine Home Care-Per Diem                            | 651      | 0 -60 | 188.64     | 58.54            | 130.10    |
| Routine Home Care-Per Diem                            | 651      | 61 +  | 148.24     | 46.00            | 102.24    |

| Description  | Rev Code | Hourly Rate | Total Rate | Non-Wage Portion | Wage Base |
|--|----------|-------------|------------|------------------|-----------|
| <b>Base Rate Without 2015 Wage Index</b>               |          |             |            |                  |           |
| Service Intensity Add-On Payment (SIA) – Hourly        | t/b/d    | 1           | 39.38      | 12.32            | 27.06     |
| Service Intensity Add-On Payment (SIA)- per 15 minutes | t/b/d    | 1/4         | 9.85       | 3.08             | 6.77      |

| <b>Rate with 2015 Vermont Rural Wage Index .9517</b>   |          |             |            |                  |           |
|--|----------|-------------|------------|------------------|-----------|
| Description  | Rev Code | Hourly Rate | Total Rate | Non-Wage Portion | Wage Base |
| Service Intensity Add-On Payment (SIA)- Hourly         | t/b/d    | 1           | 38.07      | 12.32            | 25.75     |
| Service Intensity Add-On Payment (SIA)- per 15 minutes | t/b/d    | 1/4         | 9.52       | 3.08             | 6.44      |

| <b>Rate with 2015 Vermont Urban Wage Index 1.0121</b>      |          |             |            |                  |           |
|--|----------|-------------|------------|------------------|-----------|
| Description  | Rev Code | Hourly Rate | Total Rate | Non-Wage Portion | Wage Base |
| Service Intensity Add-On Payment (SIA)-Hourly              | t/b/d    | 1           | 39.71      | 12.32            | 27.39     |
| Service Intensity Add-On Payment (SIA)- per 15 minute unit | t/b/d    | 1/4         | 9.43       | 3.08             | 6.85      |

