



Center for Clinical Standards and Quality/Survey & Certification Group

Admin Info: 15-09-Hospice

Revised 12.12.14

Due Date Revised to 01/16.15

DATE: November 14, 2014¹

TO: State Survey Agency Directors

FROM: Director Survey and Certification Group

SUBJECT: IMPACT Act 2014- **ACTION** –**Budget Form to Request Funding to Implement the** New 36-Month Maximum Survey Interval- Hospice Agencies

Memorandum Summary

- The IMPACT Act of 2014 mandates that Medicare certified hospices be surveyed no less frequently than every 36 months. The Act is effective six months after the enactment (which will be April 6, 2015).
- States must plan and be prepared to conduct surveys of approximately 1/3 of the **non-deemed** hospices in their states every three years, beginning no later than April 6, 2015, so that by April of 2018 all hospices will have been surveyed within the preceding 36 months.
- The Survey and Certification Group (SCG) will provide training opportunities for new surveyors or existing surveyors needing cross-train or refreshing, as well as auxiliary support for hospice surveys through a national contractor for those States that may not be able to achieve compliance within a three-year period.
- **We are also interested to know which States may be able to conduct recertification surveys for more than 1/3 of their non-deemed hospices in FY 2015 and or FY 2016, so that we may convey extra funds for such States to do so.**
- **Please complete Attachment 2 to verify the data and request the total amount of funds the State believes it will require for the total number of non-deemed hospice surveys (recertification, complaint and revisit) the State plans to conduct in FY2015. Accounting for all non-deemed hospice surveys must be reported on a separate CMS 435 form and may not be mixed into the state's regular appropriated budget.**
- **Please reply by January 16, 2015.**

Background

Beginning six (6) months from the date of enactment of the IMPACT Act of 2014, April 6, 2015, each Medicare certified hospice must be surveyed no less frequently than every 36 months. To achieve this mandate, additional funding is available through 2025.

¹ Revised 12.12.14 with subsequent revision of 12.24.14 to extend the due date to 01.16.14 and make minor clarifications.

Prior to the IMPACT Act, State Agencies (SAs) were directed, through the SCG Mission and Priority Document (MPD), to survey **non-deemed** hospice agencies at an interval of 6.0 years. The MPD describes the priority of survey completion for various providers in tiers numbered one (higher priority) through four (lower priority). Tier 1 surveys include those providers where there is a statutory requirement for survey frequency, e.g., nursing homes and home health agencies. Hospice surveys were included in Tiers 2 to 4. The IMPACT Act provides the statutory basis to place hospice surveys in Tier 1, through 2025.

Discussion

Compliance with the IMPACT Act of 2014 will require that each SA identify a strategy to ensure that hospices in their state are surveyed every 36 months. Thus, all hospices must be surveyed between April 6, 2015 and April 6, 2018. To achieve this, States will need to survey 1/3 of **non-deemed** hospices each year and to utilize a time frame that is slightly less than 36 months to ensure that all surveys are completed in the required timeframe.

This memorandum includes data on the status of hospice surveys by Region and State, as of October 2014. The ROs and States can use this data to quickly visualize the number of hospice surveys that are overdue and what constitutes their 1/3 requirement. Additional data will be provided to the States, via the ROs, at the hospice level, which States can use to prioritize how to distribute hospices in the 1/3 per year strategy. States may choose to prioritize which hospices are done first using:

1. Time since the last survey (interval);
2. Information from previous surveys (including complaints);
3. Indicators drawn from claims data, provided by the Center for Medicare and the Center for Program Integrity, which potentially identify problematic hospices (provided to the ROs by the Central Office); or
4. Other information the State may have that increases the risk to beneficiaries.

The CMS plans to utilize a national contractor to provide some assistance to those States that anticipate difficulties eliminating their hospice back-log. The ROs are requested to communicate with their respective States to identify:

1. How each SA plans to address the mandate of the IMPACT Act;
2. The number of surveys each State can conduct given the availability of funding (that is how many hospice surveys the State could conduct if money were no object);
3. **We are also interested to know which States may be able to conduct recertification surveys for more than 1/3 of their non-deemed hospices in FY 2015 and or FY 2016, so that we may convey extra funds for such States to do so;**
4. What additional training resources the state needs to train new surveyors or to cross-train/refresh current surveyors.

The SCG requests that each RO provides a summary of the above to Annette Snyder by **January 16, 2015.**

To meet the potential surveyor training needs, the Basic Hospice surveyor training will be offered March 23-27, 2015. This will be live, web-based training for new surveyors or existing surveyors who need cross-training/refreshing. If needed, the course will be repeated.

FY15 Budget

The IMPACT Act has provided funding separate from the regular Survey and Certification (S&C) appropriation through FY 2025. We will **either** reserve funding for each State and reimburse States as the surveys are conducted, similar to the manner in which validation surveys are conducted, **or make specific allocations to each State and reconcile with actual expenses at year's end (process is still under development)**. We expect that all hospice surveys in FY2015 and 2016 **(including revisits and complaint investigations)** will be funded from the IMPACT funds.

CO is requesting that the States review Attachment 2 and fill in actual Non-Deemed Hospice counts as well as the proposed budget. Some States may be able to do more surveys to attain the new 36 month survey requirement faster, and will need more funding to cover those costs.

Accounting for IMPACT Act Funds *distinct from* S&C Medicare Funds

Use of Form CMS-435 is the standard method by which States report S&C expenditures on a quarterly basis, with Hospice expenditures included in the “non-long term care category.” IMPACT Act funds must be reported on a separate, modified form CMS-435 containing only Hospice survey expenses (recertification, complaint and revisit). No use of IMPACT Act funds should be reported on the main Form 435. The separate CMS-435 form for Hospice IMPACT can be selected on the S&C web-based budget system from the CMS-435 drop-down menu associated with “Option 12 Other.” This is similar to the procedure used for completing the HHA and MDS forms, with the exception that these IMPACT dollars **do not** add into the overall CMS-435 for the corresponding year, as the MDS and OASIS costs do. These IMPACT funds come from a completely different funding source and thus a separate PMS sub-account and need to remain separate. This means that all of the State’s Hospice survey costs from FY 2015 to FY 2025 will only be reported on the separate Hospice IMPACT CMS-435.

If you have any questions regarding this memorandum, please contact Annette Snyder of my staff at 410-786-0807. **Any questions concerning budgetary information, please contact Bary Slovikosky at Bary.Slovikosky@cms.hhs.gov or 410-786-2107.**

Effective Date: This policy will be effective immediately. Please ensure that all appropriate staff is fully informed within 30 days of the date of this memorandum.

Training: This policy should be shared with all survey and certification staff, their managers and the State/RO training coordinator.

/s/

Thomas E. Hamilton

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Attachment 2 – FY2015 Proposed State Budget for All Hospice Surveys

cc: Survey and Certification Regional Office Management