Hospice Caps

Hospice Payments

Two caps affect Medicare payments under the hospice benefit:

Inpatient Day Limitation
The number of days of inpatient care provided is limited to no more than 20 percent of total patient care days.

Aggregate Cap Limitation
Medicare reimbursement to a hospice is limited by their aggregate cap amount in each cap year. This amount is determined by multiplying the allowable Medicare beneficiary count by the statutory cap for the specific cap year.

Inpatient Day Limitation

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

If exceeded, adjustment is made to convert excess inpatient non respite to routine care (0651).

Inpatient cap is calculated by Palmetto GBA 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 each year in the *Federal Register*. There are two methods for counting beneficiaries:

Streamlined Method (SL)
Available only to hospices that elected to retain SL method back in the 2012 cap year.

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 Palmetto GBA no later than five months after the end of the cap year. In addition, hospices must use data extracted no earlier than 90 days from cap year end and remit any overpayment due at that time.

Payments are suspended if a hospice fails to file five months after the end of the cap year.

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 Enterprise Portal.

Reference: Medicare Benefit Policy Manual (Chapter 9, Section 90)
Disclaimer: This job aid is not a legal document and is a collaboration between CGS, NGS and Palmetto GBA.