



The Medicare Hospice Carve-In Explained

A primer on Value-Based Insurance Design

Hospice organizations have an opportunity to further support their mission through negotiated partnerships with Medicare Advantage Organizations that are participating in the CMS Hospice Benefit Option of Value-Based Insurance Design (VBID). To prepare your hospice for success with this new payment model, you need to understand how VBID, also known as the “Hospice Carve-In,” works and how your hospice may benefit.

WHAT IS VBID?

To date, the Medicare Hospice Benefit is one of only two Medicare benefits that are carved out of managed Medicare, causing a lack of consistency and accountability while also creating logistical complications. VBID is an effort to rectify that confusion by moving the Hospice Medicare Benefit under the payment responsibility of MAOs. It has three major goals:

- 1 Improved care for the seriously ill
- 2 Increased and more timely access to hospice
- 3 Innovation through fostering partnerships between MAOs and hospice providers

HOW WILL THE MEDICARE HOSPICE BENEFIT BE IMPACTED?

Medicare wants to find new ways to diminish the amount of futile spending that happens near the end of life while enhancing the quality of care. To do that, they’ve put guiderails on participating MAOs so that:

- Core services cannot be unbundled
- All four levels of care must be offered
- Prior authorization is NOT required for admission or change of level of care
- All hospices, whether they are in/out of network, are reimbursed in the first 2 phases of the VBID program (through 2023 at least). Out-of-network hospices are paid the FFS Medicare rate, while in-network hospices can negotiate their reimbursement rate.

HOW WILL HOSPICE ORGANIZATIONS BE IMPACTED?

MAOs will be developing connected care communities so they can flex the level of care to meet the patient’s level of need. They want to be able to provide all the required care from within their network.

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Hospices have the services and infrastructure MAOs need to lower costs, improve clinical outcomes and increase patient and provider satisfaction. Rather than initiate new hospice programs themselves, most MAOs are expected to negotiate with existing hospices and bring them in-network. While reimbursement rates may go down, the goal is that these partnerships will result in more referrals and longer LOS, resulting in higher overall revenue. Negotiating the right contract is the first step toward success with VBID. If a hospice remains out-of-network, MAOs may have the ability to exclude it from referrals in Phase 3, possibly by 2023.

HOW WILL THE HOSPICE CARVE-IN AFFECT PATIENT CARE?

MAOs are being encouraged by CMS to develop a non-hospice palliative care benefit, expand hospice eligibility, and cover concurrent treatment for a certain length of time. They are likely to offer additional non-medical, home-based benefits to seriously ill patients that are wrapped around these extended benefits. Participating hospices can expect to have case management provided, with you or for you, by the MAO plan to facilitate timely transitions to hospice.

WHAT VALUE DOES VBID OFFER YOUR HOSPICE?

There are multiple benefits to becoming an in-network hospice partner with MAOs participating in VBID, including protecting and expanding your market. Perhaps the most important benefit is the ability to create positive change for your patients. You'll be able to get patients earlier, get more referrals, get access to populations you aren't currently able to access, and be the proactive care provider that hospices were built to be. Additionally, your hospice might expect:

- Payment for non-hospice services such as palliative care, transitional care, case management, concurrent care, and other non-medical benefits.
- Expanded hospice eligibility criteria, for instance from 6 months to 12 months.
- MAO Case Manager who advocates for extra benefits provided by in-network hospices.
- Value-based incentives you negotiate as part of your payment contract.
- Data sharing and future innovation opportunities.

While it's too early to guarantee specific outcomes from the program, hospices need to be aware that if you ignore VBID, **you may face the possible exclusion of coverage by MAOs in Phase 3 of the program.**

Acclivity has a team of experts available to provide counsel, help you connect with participating MAOs, and negotiate the most favorable contracts with them. Additionally, when the entire care team is on the Acclivity platform, you gain access to predictive data analytics to identify more hospice eligible patients sooner, driving both census and length of stay for MAO referrals.

To learn more about how we can help you succeed with VBID, or to schedule a Demo, please contact us at info@acclivityhealth.com or call 904 562 1368.

