

CMS Sending Hospice Cap Demands Ahead of Schedule

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Hospice providers within regions administered by NGS are reporting that NGS is presently finalizing and serving out final 2019 hospice cap repayment demands. This action, which tacks on sequestration (funds never received) to revenue, is entirely inappropriate and must be rescinded.

In years past, after hospices would submit self-reports (end of February), CMS and its contractors would wait at least six months (August) before finalizing cap demands. This was reasonable in light of shifting per-patient allowances under the pro-rated allocation method (2/3 of expected allowance change will occur by then). Because sequestration (amounts never paid) is not included in the self-report, these final demands are invariably materially higher than self-reported demands. In the final demand, CMS adds sequestration to revenue to determine “amount of payment made”; the legality of this practice is sitting before multiple Federal judges right now.

For the first time, and in the midst of a National Emergency, CMS has accelerated the timetable for issuing final demands, apparently so as to require “repayment” of that sequestration (funds never paid to the provider) sooner.

The result is that hospices facing cap demands, and trying to cope with a National Emergency that touches on their sober responsibilities to our terminally ill seniors, are pressed right now for additional repayments (repayments of incremental money (sequestration) that is arguably *not due at all*, in so far as sequestered funds are never paid over to the provider in the first place).

It is hard to overstate how insensitive, tone deaf, and absurd this new policy is. At a time when private banks are deferring mortgage payments for U.S. citizens generally, and when the Federal government is deferring all tax liability, CMS insists upon more timely assertion of repayment demands as to incremental amounts that are *entirely disputed* (sequestration). If a private business accelerated its creditor demands on unmeritorious claims in the midst of a National Emergency, there would be *indictments*. So why is CMS doing this?

CMS and NGS must immediately reverse course and rescind these final 2019 hospice cap demands generally.

We are all in this together.

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