

A group of four medical professionals, two women and two men, are gathered around a tablet computer. They are all wearing light blue scrubs. The woman in the center is pointing at the screen, while the others look on attentively. The background is a blurred clinical setting.

Understanding and Implementing Hospice VBID Partnership Strategies

As the hospice component of the Centers for Medicare and Medicaid Services (CMS) Value-Based Insurance Design continues to evolve and grow, providers should prepare to partner with Medicare Advantage Organizations to provide care for their shared patients. While contracting with a MAO is not required to be paid for the care provided for a shared patient, hospice organizations will be better positioned when a contract is in place. To do this, organizations need to understand how the MAO manages the hospice component of their business.

Services Provided

The Hospice VBID Model requires that participating MAOs offer diverse services related to hospice care. Transitional concurrent care enables hospice organizations to ease the transition from their current, curative plan of care to a hospice plan of care. The transitional concurrent care services that the hospice will provide a shared patient should be included in the contract and address the types of care, length of time a transitional service is provided and how the hospice will be reimbursed when the hospice is providing the concurrent transitional care. When a hospice organization also provides palliative care, this may be included in the MAO contract and should follow the previously mentioned contracting strategy.





Hospice Capitation Rates

MAOs are reimbursed by CMS according to capitation that are updated and published annually. Different than the per day per method of reimbursement that hospices are accustomed to, the capitation rates are designed to reimburse the MAO according to the span of time that hospice care is provided. Understanding this reimbursement methodology is fundamental to a mutually, beneficial contract.

The table below provides a breakdown of how the MAO is reimbursed for hospice care. The monthly rating factor transforms the number of days to a percentage. The days in month and monthly rating factor may be used interchangeably when considering the gross monthly base rate. Days are paid according to the number of per patient days provided in month one and on a rolling basis for months two and beyond. The gross monthly base rate for months two and beyond is less than 90% of the Medicare fee-for-service hospice rates. Organizations should think strategically about how this reimbursement affects their business and the implications of contracting with a MAO that may refer several patients to the organization each year.

Current Hospice VBID Reimbursement Capitation Rates

Days in Month 1	Monthly Rating Factor	Gross Monthly Base Rate
1-6 days	0.340	\$1,879.05
7-15 days	0.640	\$3,537.04
16+ days	1.003	\$5,543.21
Month 2	1.00	\$5,375.83

MAO Access to Care Requirements

As model participants, MAOs are subject to CMS requirements. These requirements should be considered and addressed when developing the strategy to contract with a MAO. Access to care, including the requirement not to implement processes, such as prior authorizations and utilization management, is a key priority to for the MAO. Additionally, the MAO is required to implement processes that ensure the timely payment of hospice claims. Lastly, it is the responsibility of the MAO to communicate with the hospice organizations, both contracted and noncontracted, in the counties in which the MAO is operating as a part of the Hospice VBID model.

Axxess has the tools to support the success of hospice organizations that contract with MAOs. Axxess Hospice streamlines the identification of Medicare Advantage beneficiaries to ensure that organizations are compliant with the hospice VBID billing requirements at the time of admission and throughout the course of care. Contracts are maintained and managed in the solution, enabling organizations visibility into the contract, as well as associated reports.