



Center for Clinical Standards and Quality/Quality, Safety & Oversight Group

Admin Info: 19-08-ALL

DATE: February 8, 2019

TO: State Survey Agency Directors

FROM: Director
Quality, Safety & Oversight Group

SUBJECT: FINAL Fiscal Year (FY) 2019 State Hospice IMPACT Allocations for Survey & Certification

Memorandum Summary

- **State Allocations:** Attachment 1 contains FY2019 Hospice IMPACT allocation figures for each State.
- **Review Process for SA Requested Amounts:** The Centers for Medicare & Medicaid Services (CMS) Central Office and Regional Offices (RO) reviewed each State's budget individually, examining workloads, spending patterns, performance, and particular budgetary needs.
- **Hospice IMPACT Funds:** Congress separately appropriated additional funds dedicated to increasing the frequency of recertification surveys for hospices. Accordingly, these funds must be tracked and accounted for separately.

A. Overview - Hospice IMPACT Survey & Certification Requirements

Beginning April 6, 2015, the IMPACT Act of 2014 mandated that each Medicare certified hospice must be surveyed no less frequently than every 36 months. To achieve this mandate, Congress appropriated additional 1 year funding each fiscal year through FY2025. During the initial 3 year period (FY2015 – FY2017), Congress provided a higher level of funding in order to move from a 6 year survey cycle to a 3 year survey cycle. Over the remaining years (FY2018 – FY2025) Congress reduced the level of IMPACT funds available each year by roughly \$2.5 million to maintain the 3-year survey cycle. Given the annual funding level decrease, along with a higher Tier-level prioritization, additional funding under Survey & Certification's (S&C) Program Management (PM) line will be made available to make up any difference in allowable Hospice survey costs.

As in FY2018, Central Office (CO) is continuing with a multi-step process to ensure that:

- 1) The IMPACT funds are used in their entirety before other fund sources are utilized. Unused IMPACT funds cannot roll over into future years, so spending these funds are the first priority; and,
- 2) That CMS Central Office (CO) does not over allocate the S&C PM funds to this work if state estimates would end up being too high.

The first stage of this process is to award the State Agencies (SAs) with a proportional share of the IMPACT funds which is to be accounted for and reported separately from the SA's regular S&C funding. Based on the requests that the RO's have put forward to CO along with utilization

of historical spending, there are 2 parameters in place for the distribution of IMPACT funds. The two parameters are as follows:

1. Any SA requesting an estimated budget for Hospice work less than \$30,000 in IMPACT funding, is funded completely with IMPACT funding;
2. Any SA requesting an estimated budget for Hospice work greater than \$30,000 are given a proportional amount of IMPACT funds, as compared to the initial request, based upon historical spending patterns as well as expected workload. The proportional amount is anywhere from 40% of the full request to 100% of the request.

Attachment 1 contains the final FY2019 Hospice award figures for each State. The amount shown in column B is the IMPACT award only. For any SA that fell into the second parameter above, additional funding to cover the projected shortfall will be given **after** the SA demonstrates that all IMPACT funding has been spent.

All Hospice funds should continue to be reported separately on the mini CMS 435 Hospice form. However, as a reminder, IMPACT funding amounts **should not** be included on the main CMS 435, while any SA receiving PM funding for Hospice work **should** report those costs on the main CMS 435 under a separate miscellaneous line #19. If a State sees any significant issues with its allocation, or has questions about the allocations or cost accounting, please communicate those promptly to your CMS Regional Office.

B. Explanation of Attachment 1 - FY2019 State S&C Hospice IMPACT Worksheet

Column A –FY2019 Hospice IMPACT Request: Column A represents each State’s FY2019 requested Hospice budget.

Column B –FY2019 Hospice IMPACT award utilizing IMPACT funding: Column B shows each State’s allocation of Hospice IMPACT funds **only** for FY2019.

Column C – Difference from FY2019 Requested Hospice IMPACT Funds: Column C represents the difference between the total amount of funding requested for FY2019 vs. the actual amount of IMPACT funds awarded. Note: if this column shows a shortfall, S&C PM funds will be available as needed once the IMPACT funds have been exhausted.

C. Actions Now that Final Hospice IMPACT Allocations are Determined (All States)

States should submit the FY2019 Hospice IMPACT budget form into the S&C online budget system, no later than February 15, 2019.

Contact: For general questions, please contact Bary Slovikosky at Bary.Slovikosky@cms.hhs.gov

Effective Date: Immediately. This information should be communicated to all survey and certification staff, their managers and the State/Regional Office training coordinators within 30 days of this memorandum.

/s/
Karen Tritz
Acting Director

Attachment: FY2019 Hospice IMPACT Allocations

cc: Survey and Certification Regional Office Management

Final FY 2019 Hospice IMPACT awards

State	A FY19 Hospice IMPACT Req. (State/RO supplied)	B FY19 Hospice IMPACT Award	C Difference from request (to be covered by S&C PM funds*)	State	A FY19 Hospice IMPACT Req. (State/RO supplied)	B FY19 Hospice IMPACT Award	C Difference from request (to be covered by S&C PM funds*)
CT	\$55,011	\$36,857	(\$18,154)	AR	\$132,230	\$88,594	(\$43,636)
ME	\$70,816	\$47,447	(\$23,369)	LA	\$360,400	\$288,320	(\$72,080)
MA	\$231,045	\$115,523	(\$115,523)	NM	\$105,831	\$81,490	(\$24,341)
NH	\$100,000	\$67,000	(\$33,000)	OK	\$230,251	\$131,243	(\$99,008)
RI	\$18,500	\$18,500	\$0	TX	\$686,867	\$460,201	(\$226,666)
VT	\$50,000	\$33,500	(\$16,500)	IA	\$209,240	\$156,930	(\$52,310)
NJ	\$108,925	\$72,980	(\$35,945)	KS(AG)	\$0	\$0	\$0
NY	\$513,137	\$343,802	(\$169,335)	KS(H)	\$90,512	\$90,512	\$0
PR	\$63,880	\$42,800	(\$21,080)	MO	\$459,246	\$275,548	(\$183,698)
DE	\$46,822	\$18,729	(\$28,093)	NE	\$32,400	\$32,400	\$0
DC	\$5,074	\$5,074	\$0	CO	\$143,869	\$96,392	(\$47,477)
MD	\$15,800	\$15,800	\$0	MT	\$24,000	\$24,000	\$0
PA	\$164,029	\$109,899	(\$54,130)	ND	\$27,435	\$27,435	\$0
VA	\$189,560	\$127,005	(\$62,555)	SD	\$12,786	\$12,786	\$0
WV	\$11,000	\$11,000	\$0	UT	\$240,000	\$184,800	(\$55,200)
AL	\$154,600	\$103,582	(\$51,018)	WY	\$22,218	\$22,218	\$0
FL	\$50,000	\$33,500	(\$16,500)	AZ	\$179,443	\$120,227	(\$59,216)
GA	\$534,200	\$267,100	(\$267,100)	CA	\$743,676	\$423,895	(\$319,781)
KY	\$45,500	\$30,485	(\$15,015)	HI	\$15,712	\$15,712	\$0
MS	\$75,000	\$50,250	(\$24,750)	NV	\$79,571	\$53,313	(\$26,258)
NC	\$140,842	\$77,463	(\$63,379)	AK	\$0	\$0	\$0
SC	\$197,281	\$157,825	(\$39,456)	ID	\$82,900	\$55,543	(\$27,357)
TN	\$162,000	\$108,540	(\$53,460)	OG (LTC)	\$0	\$0	\$0
IL	\$159,215	\$119,411	(\$39,804)	ON (NLTC)	\$135,135	\$90,540	(\$44,595)
IN	\$59,000	\$59,000	\$0	WZ(H)	\$118,642	\$79,490	(\$39,152)
MI	\$160,018	\$120,014	(\$40,005)	WA(SS)	\$0	\$0	\$0
MN	\$105,960	\$79,470	(\$26,490)		\$7,673,859	\$5,247,478	(\$2,557,211)
OH	\$87,110	\$65,333	(\$21,778)				
WI	\$98,000	\$98,000	\$0				

*Funding available once state has demonstrated that all IMPACT funds are exhausted