

Proportional Method – Case Studies

The following illustrate the beneficiary allocation and explain how the allocation changes when a patient receives additional hospice care.

1. Care in Only One Year – Patient Expires

Patient A initially elects hospice care in 2021, receives 120 days of care from Hospice #1 (1/1/2021 through 4/30/2021) and expires on April 30th. The beneficiary allocation for the 2021 cap year is 1.0000 (as no prior service). And, as the patient expired, this beneficiary allocation is final (no later revision).

2. Care in Two Years - Patient expires

Patient B initially elects hospice care on 8/1/2021 from Hospice #1, receiving 120 days of care and expiring on 11/28/2021. As the cap year begins on October 1, two cap years are involved. The beneficiary allocations for 2021 and 2022 are as follows. As the patient expired, these allocations would be final (no later revision).

$$\begin{array}{l} \text{2021 Cap year} \\ \text{(ending 9/30/2021)} \end{array} \quad \frac{\text{61 days in 2021}}{\text{120 total days (all years)}} = 0.5083$$

$$\begin{array}{l} \text{2022 Cap year} \\ \text{(ending 9/30/2022)} \end{array} \quad \frac{\text{59 days in 2022}}{\text{120 total days (all years)}} = 0.4917$$

3. Care in Prior Year

Patient C received 45 days of care from Hospice #2 from 8/1/2021 to 9/14/2021 and expired. Prior to this, Patient C received 92 days of care from Hospice #1 in 2020. Total Hospice days for all years = 137. The beneficiary allocation for Hospice #2 in 2021 and the revised allocation for Hospice #1 for 2020 are as follows:

$$\begin{array}{l} \text{Hospice \#2} \\ \text{2021 Cap year} \\ \text{(ending 9/30/2021)} \end{array} \quad \frac{\text{45 days in 2021}}{\text{137 total days (all years)}} = 0.3285$$

$$\begin{array}{l} \text{Hospice \#1} \\ \text{Revised - 2020 Cap year} \\ \text{(ending 9/30/2020)} \end{array} \quad \frac{\text{92 days in 2020}}{\text{137 total days (all years)}} = 0.6715$$

Note: When the original 2020 calculation for Hospice #1 was computed, the 2021 hospice care was unknown (original 2020 allocation for Hospice #1= 1.0000).

4. Care Continues – spanning three cap years

Patient D received 92 days of care at Hospice #2 from 7/1/2021 to 9/30/2021 and **remains on service**. The MAC made the initial determination for the 2021 cap year in June of 2022 (using PS&R data with services thru 4/30/2022). At this time, Patient D had received a total of 304 hospice care days and the beneficiary allocation was as follows:

Patient D's Hospice Days and Beneficiary Allocation
 2021 Cap - Initial Determination
 Service dates through 4/30/2022

Cap Year	Days	Beneficiary Allocation
2021	92	0.3026
2022	212	0.6974
Total	304	1.0000

Patient D's care continued for 214 days until the patient's DOD on 11/30/2022. Patient D's beneficiary allocation is revised as follows to reflect the care received in three cap years.

Patient D's Hospice Days (final) and Updated Allocation
 2021 Cap - Revised Determination
 2022 Cap - Initial Determination
 Service dates through DOD on 11/30/2022

Cap Year	Days	Beneficiary Allocation	Change in Allocation
2021	92	0.1776	(0.1250)
2022	365	0.7046	0.0073
2023	61	0.1178	0.1178
Total	518	1.0000	0.0000

Note:

- 1) At the time of the 2022 Cap review, total days had increased from 304 to 518. This caused the 2021 allocation to decrease.
- 2) A beneficiary's total allocation always = 1.0000.

5. Care Continues – change in provider and skips a year

Patient E received 153 days of hospice care from Hospice #1 from 3/1/2021 through 7/31/2021 and was discharged from hospice care on 7/31/2021. When the 2021 aggregate cap was initially computed (in 2022), the allocation for Patient E, was as follows:

Patient E			
Hospice #1			
2021 Cap year		$\frac{153 \text{ days of care in 2021}}{153 \text{ total known hospice care days}}$	= 1.0000

Then, in 2023, Hospice #2 picked up Patient E and rendered 78 days of care (7/1/2023 through 9/16/2023) with the patient expiring on 9/16/2023. When the review of the 2023 cap occurs in 2024, the final allocations for this beneficiary will be as follows:

Patient E

$$\begin{array}{l} \text{Hospice \#1} \\ \text{Revised - 2021 Cap year} \end{array} \quad \frac{153 \text{ days of care in 2021}}{231 \text{ total known hospice care days}} = 0.6623$$

$$\begin{array}{l} \text{Hospice \#2} \\ \text{2023 Cap year} \end{array} \quad \frac{78 \text{ days of care in 2022}}{231 \text{ total known hospice care days}} = 0.3377$$