



INDIANA MEDICAID UPDATE

November 6, 1998

TO: All Indiana Medicaid-Enrolled Hospice Providers and All Indiana Medicaid-Enrolled Nursing Facilities

SUBJECT: Contracted Hospice Services in Nursing Facilities

This is a reminder to hospice providers and nursing facility providers that once a nursing home facility resident elects hospice (whether it is Medicare or Medicaid), the hospice provider becomes responsible for coordinating all care. The nursing facility may no longer bill Medicaid directly for room and board services once the nursing facility resident elects the Medicare or Medicaid hospice benefit. This means that the hospice election date is the date that the nursing facility must stop billing Medicaid. Failure to comply with these procedures will result in the OMPP recouping from the nursing facility.

The implementation of the Indiana Medicaid hospice benefit, effective July 1, 1997, changed the reimbursement for room and board services for hospice recipients in nursing facilities from 100% of the nursing facility Medicaid daily rate to 95% of the lowest nursing facility rate accordingly to 405 IAC 1-16-4. Medicaid-enrolled hospice providers and Medicaid-enrolled nursing facilities are notified to follow these procedures immediately to ensure compliance with the 95% nursing facility payment rule.

- The nursing facility and the hospice provider must first have a written agreement under which the hospice provider takes full responsibility for the professional management of the individual's hospice care and the nursing facility agrees to provide room and board services. {42 USC 1396d (o) (3)}. Hospice services should not be provided until both parties have finalized a contract.
- The nursing facility resident must elect hospice by signing the hospice election form. The resident may designate an effective date for the election that is later than the date that the election form is signed. The effective date of the election form is the date that hospice services begin and that payment by Medicaid to the nursing facility must stop.

- Per 405 IAC 1-16-4, the OMPP must pay the hospice provider (not the nursing facility) 95% of the lowest nursing facility rate for room and board services. Nursing facilities are reminded that failure to stop billing Medicaid directly after a resident's election of hospice will result in the OMPP recouping the 100% of the Medicaid daily rate for those dates of service that the nursing facility inappropriately billed Medicaid for a hospice recipient. The OMPP will then pay the hospice provider the appropriate rate for room and board services (95% of the lowest nursing facility rate) so that the hospice provider may then reimburse the nursing facility for room and board services per their written agreement.
- The Medicaid hospice covered services/reimbursement rule became effective on April 9, 1998 so at that point, all hospice and nursing facilities should have been complying with 405 IAC 1-16-4. The OMPP has established May 1, 1998 as the start date for recoupment.
- Hospice providers must send the election form, physician certification form, and plan of care within 10 days of the election date as required by 405 IAC 5-34-5, 5-34-6, and 5-34-7. It is imperative that all three forms be submitted to the Hospice Authorization Unit within 10 days of the effective date of the election. Failure to comply with these procedures is in violation of state and federal regulations.

If the hospice provider is late in submitting the certification forms, then the Hospice election date will be moved forward one business day for every business day that the Hospice provider was late in submitting the forms.

Hospice providers and nursing facilities are cautioned to comply with these procedures immediately since these procedures have been established per state and federal regulations. Further inquiries regarding the Medicaid hospice benefit may be directed to the EDS Provider Assistance Unit at 1-800-577-1278.