



INDIANA MEDICAID UPDATE

November 6, 1998

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

SUBJECT: Recoupment Based on IC 405 IAC 1-16-4 (Additional per diem amount for nursing facility room and board services once a nursing facility resident elects hospice)

The purpose of this bulletin is to inform you how the OMPP will recoup the original direct payment to the nursing facility for room and board services. As you are aware, the hospice covered services and reimbursement rule became law on April 9, 1998. The OMPP has determined that May 1, 1998 will be the start date to commence recoupment of these funds.

The OMPP established a Hospice Work Group in April of 1998 to address concerns raised by providers who serve Indiana Medicaid hospice recipients. The three nursing facility associations, the Indiana Hospice Organization, and the Association for Home and Hospice Care have been represented in these meetings. As discussed in the Hospice Work Group meetings, 405 IAC 1-16-4 specifies that Medicaid payment to a nursing facility must stop when the resident elects hospice care and that any payment to the nursing facility for room and board services must be made by the hospice provider under the terms of the agreement with the nursing facility. This section further specifies that reimbursement rate for nursing facility room and board services is 95% of the lowest per diem that Indiana would have paid to the nursing facility for any resident for those dates of service on which the recipient was a resident of the nursing facility.

The OMPP has identified two groups of hospice recipients in nursing facilities that are subject to recoupment:

- 1) Dually-eligible Medicare/Medicaid recipients in the nursing facility who are on the Medicare hospice benefit, but who have not been enrolled in the Medicaid hospice benefit. According to federal regulations, a dually-eligible Medicare/Medicaid hospice recipient must simultaneously elect, revoke, change provider under both the Medicare and the Medicaid program. In those states where there is a Medicaid hospice benefit, it is the responsibility of the hospice provider to submit the required certification forms to the Medicaid State agency.
- 2) Dually-eligible Medicare/Medicaid hospice recipients in a nursing facility where there may be a contract between the nursing facility and the hospice provider, but the hospice provider has not submitted the election form, the physician certification, or the plan of care at all or within the 10 business day time-frame stipulated in the hospice rule or not sent in the complete set of certification forms. All three forms are required to complete the hospice authorization process.

The recoupment will be handled as follows:

- 1) The OMPP will recoup 100% from the nursing facility for those dates of service that the nursing facility resident is/was under hospice care. The OMPP will not charge interest.
- 2) The OMPP will pay the hospice provider 95% of the lowest nursing facility rate (or 95% of the single nursing facility case mix rate, effective October 1, 1998) as specified in 405 IAC 1-16-4.
- 3) The hospice provider must pay the nursing facility for room and board services according to their agreement/contract.

On several occasions, hospice providers have asked the OMPP if recoupment could be handled simply by making a payment adjustment to the nursing facility payment. The OMPP cannot take this approach because it would inaccurately reflect on the nursing facility fiscal expenditures and not accurately reflect the hospice provider's fiscal expenditures.

It is also important to note that state and federal regulations specify that the hospice and the nursing facility must have an agreement before hospice services are rendered. The Medicare guidelines of participation for hospice care in nursing facilities make this point and also indicate that the agreement (contract) is to provide a framework for the partnership before hospice services are initiated.

Further inquiries regarding the Medicaid hospice benefit may be directed to the EDS Provider Assistance Unit at 1-800-577-1278.