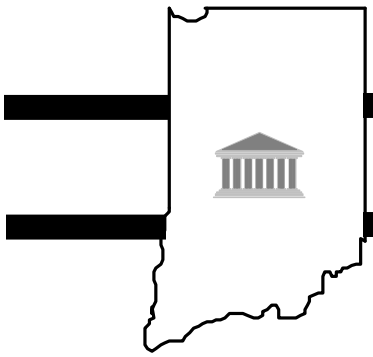

INDIANA MEDICAID UPDATE

November 6, 1998

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

SUBJECT: Issues Regarding Hospice Authorization and Hospice Claims Payment Issues

The purpose of this bulletin is to address several educational issues and provide clarification of several policies regarding the Medicaid hospice benefit that the EDS Hospice Authorization Unit and the Office of Medicaid Policy and Planning (OMPP) have identified. The OMPP and EDS have been evaluating and monitoring hospice authorization trends and reviewing hospice claims payment trends weekly.

Hospice Claims and Hospice Authorization Issues

The Medicaid Hospice Benefit was implemented on July 1, 1997 and automated claims processing was implemented on January 28, 1998. The OMPP and EDS have organized and attended Hospice Work Group meetings since April of 1998. The purpose of these meetings is to have ongoing communication with hospice providers and representatives from the Indiana Hospice Organization and the Indiana Association for Home and Hospice Care as well as the three nursing facility associations regarding the Medicaid Hospice Benefit. The OMPP has been closely monitoring hospice authorization trends and trends in hospice claims payment and has shared this information at the Hospice Work Group meetings. This bulletin is intended to summarize this information for all Medicaid-enrolled hospice providers since the OMPP has identified ongoing claims payment problems and compliance problems with the hospice authorization process and to provide direction on how hospice providers may resolve these issues.

Assistance with Hospice Claims By Contacting EDS Provider Relations

The Medicaid Hospice Benefit was implemented on July 1, 1997 and all Medicaid-enrolled hospice providers were sent provider bulletin E98-02 regarding Medicaid Hospice Billing Procedures in early January of 1998. Effective January 28, 1998, reimbursement to Medicaid-enrolled hospice providers became available systematically through the IndianaAIM system.

The OMPP and EDS have been reviewing claims payment on a weekly basis since January 28, 1998. Once the problem with edit 0564 for dually-eligible Medicaid recipients in a nursing facility was corrected, the OMPP has focused on the error codes for denied and suspended claims. Our weekly review has demonstrated that claims are denying and suspending appropriately. The error codes reflect provider problems with general Medicaid billing guidelines or specific hospice claims guidelines. When a Medicaid hospice claim is submitted through IndianaAIM for payment, IndianaAIM runs the claim through a series of Medicaid edits and then hospice edits. Each hospice provider receives a remittance advice sheet that specifies all errors made by that provider.

The OMPP is concerned about the magnitude of all denied claims and suspended claims. The majority of suspended claims denote that a “CCF” (claims correction form) has been requested. This means that the hospice provider has 45 days to resubmit the CCF with the necessary corrections. If this 45-day deadline is not met, then the original claim will be denied and the hospice provider must resubmit the claim with all corrections for payment.

The OMPP recommends that any Medicaid-enrolled hospice provider that is encountering ongoing problems with denied and/or suspended claims contact Ms. Debbie Williams, Acting Supervisor of EDS Provider Relations at (317) 488-5080 to schedule an individual session to review the specific claims issues.

Summary of Most Common Claims Errors

Hospice claims trends have been identified based on two provider groups: 1) new hospice providers who are billing Medicaid for the first time and 2) those providers who offer hospice and home health services, but are familiar with general Medicaid billing guidelines.

The Medicaid provider who offers home health and hospice services reflect the following errors:

- Bill hospice claim type 822, but use home health revenue codes, i.e. 572 on hospice claims. Error code would indicate “hospice services have incompatible type of bill and revenue codes being billed”
- Use home health provider number when submitting hospice claims
- Home health agencies submitting claims directly for hospice recipients-claims will deny since the hospice provider must submit those claims

The hospice providers who are new to the Medicaid program reflect the following errors:

- Recertification forms for the new benefit periods are not sent in timely by hospice providers, yet the provider continues to bill for those dates of service. Since the system does not reflect the approval of the new benefit period for that hospice recipient, the claim will deny appropriately
- Not checking Medicaid eligibility using Automated Voice Response (AVR), i.e. is the individual on one of the managed care programs and has that individual been disenrolled before electing the Medicaid hospice benefit? Otherwise the hospice provider will not be paid if the individual is still enrolled in Hoosier Healthwise.
    - Error code would state “Recipient is enrolled in Hoosier Healthwise”
    - NOTE: EDS mailed the comprehensive Medicaid Provider Manual to all Medicaid-enrolled hospice provider on October 1, 1998. This manual provides a section that addresses Medicaid eligibility and also detailed instructions on how to use AVR
    - Medicaid eligibility is subject to change for several reasons. It is highly recommended that hospice providers check eligibility status on a regular basis by using AVR
- Using Medicaid-only revenue codes (651, 652, 655, 656, 657) with revenue code 659 (Dually-eligible Medicare/Medicaid nursing facility recipients only)
- Recipient name and recipient number disagree
- Claim submitted is a duplicate claim
- Total billed amount missing
- The date of service is missing
- Claim correction form not returned within 45 days
- Revenue code is missing
- Billed amount invalid
- Billed amount is not in a valid form

Procedures Regarding the Disenrollment of Medicaid Recipients from PCCM to Enroll in the Medicaid Hospice Benefit

1. Medicaid Physician Certification Form

Medicaid-enrolled hospice providers have indicated that it is difficult to obtain the attending physician's signature in addition to the signature of the hospice's Medical Director on the Medicaid Physician certification form. The OMPP has been asked to eliminate the attending physician's signature on this form.

The hospice covered services rule indicates that if the hospice's Medical Director signs the Medicaid Physician Certification form, then the attending physician's signature is NOT required. However, the rule also states that when the physician member of the disciplinary group signs this form for the Medical Director, then the attending physician's signature must be provided as well.

The current Medicaid Physician Certification Form does not make this distinction. Therefore, the OMPP is revising this form to indicate in the box designated for the attending physician's signature that this signature is only required when the hospice physician signs for the medical director. The box designated for the medical director's signature will be revised to reflect that the physician member of the hospice disciplinary team may sign for the medical director.

In conclusion when the hospice's medical director signs the Medicaid physician certification form, then the attending physician's signature is not legally required.

2. Certification Forms for Medicaid-Only Hospice Recipients

The OMPP requires that Medicaid-enrolled hospice providers complete and submit the following Medicaid hospice forms for the first benefit period: Medicaid election form, Medicaid physician certification form, and the Medicaid plan of care form.

For the second and third benefit periods, the Medicaid-enrolled hospice provider must submit the Medicaid physician certification form and the Medicaid plan of care within 10 business days of the beginning of the new benefit periods.

The OMPP will accept only the Medicaid hospice forms for Medicaid-only hospice recipients.

3. Certification Forms for Dually-Eligible Medicare/Medicaid Hospice Recipients

The dually-eligible Medicare/Medicaid hospice recipients are the largest population group enrolled in the Medicaid hospice benefit. The OMPP prefers that Medicaid-enrolled hospice providers use the Medicaid forms, however; the OMPP has indicated that the EDS Hospice Authorization Unit may accept the following forms in place of the Medicaid forms for the first benefit period:

- Medicare Election Statement
- Hospice Provider's Physician Certification Form
- Hospice Provider's most current Plan of Care

For the second and third benefit periods, the Medicaid-enrolled provider must submit a new physician certification form and an updated plan of care within 10 business days from the beginning of the new benefit period.

The hospice analysts from the Hospice Authorization Unit are spending an exceptional amount of staff time calling hospice providers when the Medicare Election Form is incomplete since hospice providers do not consistently include Medicaid-relevant information. As a result, the hospice authorization process has been impacted in an effort to facilitate work for hospice provides by allowing the submission of the Medicare election form in lieu of the Medicaid election form. The OMPP is committed to facilitating the paperwork for hospice providers while also ensuring that the hospice authorization process is as efficient as possible. In an effort to resolve this matter with as little work as possible for both hospice providers and the hospice analysts, the OMPP has established the new procedure outlined below.

Effective immediately, if a Medicaid enrolled hospice provider is submitting the Medicare election form for the first benefit period, the hospice provider must also complete the following sections on the Medicaid election form to ensure timely completion of the hospice authorization process:

- The box indicating the effective date of hospice care
- Section A. Recipient Information
- Section B. Provider's Information
- The recipient's signature and the witness's signature are NOT required since this information should be present on the Medicare election form already included in the certification packet.

The procedures established in this bulletin are intended to be mutually beneficial to hospice providers and to the hospice analysts and should expedite the hospice authorization process for the dually-eligible Medicare/Medicaid hospice recipients.

If the hospice provider is late in submitting the certification forms, then the election date will be moved forward one business day for every business day that the hospice provider was late in submitting the forms. For example, the hospice recipient elects the benefit on October 1. The certification forms must be submitted by October 15 or the mailing packet from the hospice provider must at least be postmarked by October 15. The EDS Hospice Authorization Unit receives the forms and the envelope is postmarked October 19. The forms are late by one business day, therefore; the hospice election date is moved forward one business day to October 2, 1998. The hospice provider will start receiving payment effective October 2.

4. Timely Submission of Re-certification Forms and Impact on Payment of Hospice Claims

The OMPP and EDS have noticed that hospice claims have been denied because of hospice recipient ineligibility for the dates of service noted on the claims. The OMPP has determined that this problem occurs when hospice providers do not submit re-certification forms timely, but still continue to bill for those dates of service. Furthermore, a review of the hospice authorization process revealed that hospice providers were not receiving formal notification from the EDS Hospice Authorization Unit about the approval of the second and third benefit periods.

For the second and third benefit periods, the Medicaid-enrolled hospice provider must submit the Medicaid physician certification form and the Medicaid plan of care within 10 business days of the beginning of the new benefit periods. If these requirements are not met, then no payment can be made for services rendered prior to certification for that benefit period.

EDS and the OMPP reviewed the hospice authorization process to determine the best manner to notify hospice providers regarding the approval of second and third benefit periods. Effective September 14, 1998, the hospice analysts have started sending a copy of the original election form indicating approval of the second and third benefit periods. This will serve as notice to the hospice provider that it is permissible to bill.

The following procedures for hospice re-certification are outlined for hospice providers:

- Effective immediately, the hospice provider must submit the physician certification and the updated plan of care within the established 10 business days at the beginning of the new benefit period. The hospice provider should not bill for those dates of service until formal approval has been received from the hospice analyst.

The OMPP had permitted hospice providers to send the hospice election form first to preserve the election date and then to submit the physician certification form and the plan of care shortly thereafter.

  - NOTE: The OMPP and the EDS Hospice Authorization Unit have been very flexible with the ten day time-frame for the certification forms since hospice providers indicated that it was very difficult to obtain the attending physician signature on the physician certification form and complete the plan of care form. The OMPP has permitted the EDS Hospice Authorization Unit to accept the Medicare/Medicaid election form within 10 business days to protect the hospice recipient's election date as long as the hospice provider sent in the physician certification form and the plan of care form shortly thereafter. However, the Hospice Authorization Unit often did not receive the other two forms from the hospice provider and the failure to receive the pending forms impacted the hospice authorization process since hospice prior approval cannot be completed until all forms have been received.

  - The OMPP has previously clarified that if the Medical Director signs the physician certification form, then the attending physician's signature is NOT required. This should facilitate the completion of the physician certification form for hospice providers.

- The EDS Hospice Authorization Unit must have all the required forms before hospice authorization is granted. The hospice provider must ensure that the forms are completed in their entirety. Failure to submit all necessary paperwork or to correctly complete forms will delay the hospice authorization. The Hospice Authorization Unit has been instructed to return incomplete recertification packets or improperly completed forms to the hospice provider.

- Once the hospice analyst has approved the new benefit period, a copy of the election form will be sent to the hospice provider. The election form will specify the approval of the second/third benefit period and reflect the hospice analyst's signature/initials and the date this approval was granted.

- If the hospice provider has not received formal approval within two weeks from the mailing date of the re-certification forms, then the hospice provider should contact the EDS Prior Authorization Unit at 317-635-3250 or 1-800-457-4518. The provider should then request to speak to a hospice analyst to be advised about the status of the re-certification. The OMPP/EDS require providers to contact the EDS Prior Authorization for inquiries since it is the appropriate starting point and the mechanism by which all provider telephone inquiries are tracked.

If the hospice provider is late in submitting the certification forms, then the election date will be moved forward for every business day that the hospice provider was late in submitting the forms. For example, the hospice recipient elects the benefit on October 1. The certification forms must be submitted by October 15 or the mailing packet from the hospice provider must at least be postmarked by October 15. The EDS Hospice Authorization Unit receives the forms and the envelope is postmarked October 19. The forms are late by one business day, therefore; the hospice election date is moved forward one business day to October 2, 1998. The hospice provider will start receiving payment effective October 2.

Hospice providers are reminded that it is their responsibility to check for Medicaid eligibility before enrolling an individual in the hospice benefit. In fact, it is highly recommended that the hospice provider check hospice recipient's eligibility on a regular basis since Medicaid eligibility is subject to change. The hospice provider may do so by contacting the EDS Automated Voice Response (AVR) at (317)692-0819 or 1-800-738-6770. Instructions for how to use AVR are outlined in the Medicaid Provider Manual.

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