



PROVIDER BULLETIN

BT 200365

OCTOBER 29, 2003

To: All Hospice and Pharmacy Providers

Subject: Pharmacy Hard Edits and Hospice Review Process

Overview

This bulletin notifies hospice providers about the upcoming edits and changes to the hospice review process. The Indiana Health Coverage Programs (IHCP) hospice benefit has been in effect since 1997. During this time, the IHCP has identified overpayments through the hospice review process. The IHCP has also communicated with other State Medicaid agencies to determine overpayment issues that could be related to the IHCP's hospice program. In an effort to identify inappropriate billing, the IHCP is developing hard edits and other monitoring tools to deny claims before payment is made.

This bulletin informs hospice providers of the discontinuance of individual hospice site visits currently being performed by the Hospice Review Team and the development of hard edits to IndianaAIM that will prevent payment of the most commonly used hospice drugs to pharmacy providers because these drugs are included in the Medicare or IHCP hospice per diem payments. The following paragraphs will provide further information.

Development of Hard Edits

Pharmacy overpayments accounted for 95 percent of the overpayments duplicative of hospice care in the hospice review process. Despite extensive education to both hospice and pharmacy providers about coordination of care, duplicate billing continues.

In an effort to eliminate these overpayments before billing occurs, the Office of Medicaid Policy and Planning (OMPP) is developing a list of the most common medications used by hospice providers to treat terminal illnesses. The Long Term Care Pharmacy Alliance and the Indiana Hospice and Palliative Care Organization are working with the OMPP to provide identification of medications on this list. The hard edit list will be updated on a regular basis as new medications are approved for use by the Federal Drug Administration (FDA) and approved for use by the IHCP.

The IHCP is also developing other tools to monitor duplicate payment and billing regarding transportation and hospital stays. It was determined that Medicare is not being billed for hospice members admitted for Medicare hospital qualifying stays.

This reminds hospice providers that the IHCP could perform post payment review that retrospectively audits hospice services including a review for medical necessity.

IHCP Hospice Authorization Process

The IHCP will rely on current professional guidelines, including the Medicare Local Medical Review Policies (LMRP) for hospice services when performing hospice authorization reviews on each hospice member. Hospice providers are reminded that the IHCP recognizes the LMRP is only a guide in determining if the patient is appropriate for hospice care. It is not meant to replace the overall clinical evaluation by the hospice provider or by the IHCP, and its contractor, in evaluating the unique clinical condition of each hospice member.

While the IHCP requires hospice providers to request hospice authorization for IHCP-only members at the beginning of each hospice benefit, the IHCP or its contractors is not prevented from requesting medical documentation about any hospice member at any point during the members' enrollment in the IHCP. This practice is consistent with the hospice provider's IHCP agreement.

Additional Information

The IHCP will inform providers as more detailed information is available about the pharmacy hard edit. Direct questions about the IHCP hospice benefit to the Customer Assistance Unit at (317) 655-3240 in the Indianapolis local area or 1-800-577-1278.

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