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**To:           All Hospice Providers**

**Subject:   Hospice Rates Effective October 1, 2003, and Hospice Benefit Updates**

## Overview

Each year on October 1, the Centers for Medicare and Medicaid Services (CMS) establishes and releases new hospice rates to state Medicaid agencies for Medicaid-enrolled hospice providers.

This bulletin provides the following information about the new Indiana Health Coverage Programs (IHCP) hospice rates:

- A brief explanation of the method of calculation used by Myers and Stauffer, LC, the IHCP long term care rate-setting contractor, to establish the IHCP hospice rates
- A brief summary of how EDS, the IHCP fiscal agent contractor, updated IndianaAIM to reflect the new hospice rates, and the date the claims mass adjustments were completed
- A table listing the new IHCP hospice rates, effective October 1, 2003, as prepared by Myers and Stauffer, LC

This bulletin further provides the following policy clarifications and updates to hospice providers:

- A reminder about which IHCP hospice forms should be faxed to Health Care Excel (HCE) for IHCP prior authorization
- New flexibility and procedures for faxing hospice authorization paperwork for each hospice benefit period for hospice members that were originally disenrolled from managed care
- Procedures to follow when members want to disenroll from *Medicaid Select* and elect the IHCP hospice benefit
- Establishment of a hospice link on the IHCP Web site at [www.indianamedicaid.com](http://www.indianamedicaid.com)
- Clarification of the process hospice providers must follow to perform retro rate adjustments for room and board billed under hospice revenue codes 653, 654, and 659

## Method of Calculation

Reimbursement for the IHCP hospice benefit follows the methodology and level established by the CMS for the administration of the federal Medicare program. Therefore, the IHCP hospice rates, based on Medicare reimbursement rates and methodology, are adjusted to disregard offsets resulting from Medicare premium amounts. The rates are adjusted for regional differences in wages using listings from the CMS.

The total per diem amounts reimbursed to an IHCP-enrolled hospice provider are calculated according to the IHCP hospice member's location of care. Hospice providers are reimbursed at one of the hospice levels of care. A member's hospice level of care is covered in one of the following situations:

- Routine home hospice level of care in the private home – IHCP hospice per diem only
- Routine home hospice level of care in the nursing home – IHCP hospice per diem plus room and board per diem
- Continuous home hospice level of care in the private home – IHCP hospice per diem only
- Continuous home hospice level of care in the nursing home – IHCP hospice per diem plus room and board per diem
- Inpatient respite care for the private home members or nursing facility members – IHCP hospice per diem only – there is no additional room and board per diem for this service
- General inpatient care for the private home members or nursing facility members – IHCP hospice per diem only – there is no additional room and board per diem for this service

## Payment of Hospice Claims

The new hospice rates were loaded on IndianaAIM October 17, 2003, and are listed in this bulletin in Table 1. Claims mass adjustments were performed on October 20, 2003.

## Hospice Benefit Updates/Clarifications

The purpose of this section is to remind providers about current policies for the IHCP hospice benefit as well as inform providers about new developments.

### ***IHCP Hospice Forms to Fax to the HCE Prior Authorization Unit***

Hospice providers can fax the following forms to the HCE Prior Authorization Unit:

- IHCP hospice discharge form
- IHCP hospice revocation form
- IHCP hospice change of status form
- IHCP change in hospice provider form
- Disenrollment of managed care members electing hospice

HCE could return the above-mentioned forms to the hospice provider if the HCE hospice analyst determines upon a review of the claims processing system that the hospice provider has not received

hospice authorization for dates of service in hospice benefit periods preceding the dates of service outlined in the faxed hospice form.

Hospice providers have requested on several occasions that the IHCP extend the faxing procedures to hospice authorization paperwork for all hospice benefit periods. The IHCP reminds hospice providers that all other assignment codes must submit IHCP prior authorization requests by mail, and that other programs are permitted to fax information only when an urgent or emergent nature of the service exists, for example, psychiatric admissions.

### **New Procedures for Hospice Authorization of Managed Care Members**

Hospice providers should refer to policy previously outlined in IHCP provider banner page, BR200329, published July 22, 2003. To minimize the automatic enrollment of hospice members to managed care between hospice benefit periods, the IHCP is extending the conditions for faxing the hospice authorization paperwork to include requests for hospice authorization for hospice benefit periods following the initial election of hospice care.

According to the Palmetto Government Benefit Administrators (GBA) workshop held in the Spring 2003, "...a hospice may recertify a beneficiary's benefit period anytime prior to the next benefit period, as long as the beneficiary continues to be eligible for the [Hospice Medicare Benefit]." The workshop materials specified that, "...the [plan of care] must be reviewed each benefit period and any time that patient's condition or level of care changes." In these instances, the IHCP will permit hospice providers to complete the IHCP hospice physician certification form and the IHCP hospice plan of care, up to two weeks prior to the start date of the recertification period. The physician certification form and the hospice plan of care must be signed no earlier than two weeks prior to the date of the hospice benefit period.

Hospice providers are reminded that the hospice forms must be completed accurately with medical documentation criteria, the required signatures on all forms, and the timeliness of all signatures. Failure to meet these requirements will result in the HCE Prior Authorization Unit appropriately returning the paperwork for correction.

### **Medicaid Select Members Electing Hospice**

Members enrolled in *Medicaid Select* must disenroll from *Medicaid Select* before the member can elect the IHCP hospice benefit. Hospice providers should contact AmeriChoice at 1-877-633-7353 to request the disenrollment of a member from *Medicaid Select*.

### **Hospice Link on the IHCP Web site**

The IHCP has added a link for hospice providers on the IHCP Web site at [www.indianamedicaid.com](http://www.indianamedicaid.com). Hospice providers can find the Web link by following these steps:

- Access the IHCP Web site at [www.indianamedicaid.com](http://www.indianamedicaid.com)
- Click **Home** at the top of the main page
- The hospice link is on the left side of the page under **IHCP Hospice Services**

This Web site offers an overview of information about the IHCP hospice benefit, contact information, and a link that lists all the IHCP hospice bulletins to date.

## **Hospice Claims Adjustments Issues**

The IHCP has addressed numerous issues about hospice claims adjustments when there is a quarterly retro rate adjustment for nursing facility room and board under hospice revenue codes 653, 654 and 659. The IHCP reminds hospice providers of the following points:

- At this time, IndianaAIM does not automatically adjust hospice revenue codes 653, 654, and 655 when a nursing facility retro rate is completed
- Hospice providers must complete a claims adjustment form each time there is a nursing facility retro rate adjustment
- Hospice providers can check the Myers and Stauffer LC Web site to determine what the rate on file is for a particular nursing facility. Instructions on how to access this Web site can be found in Chapter 6 of the *IHCP Hospice Provider Manual*
- A line item in the *President's Budget* affords state Medicaid agencies the choice to permit nursing facilities to bill the IHCP directly for payment of the room and board under the IHCP hospice benefit. The IHCP has contacted the CMS Region V office for a status report of this line item. If the line item passes, the IHCP plans to take the necessary administrative steps to permit nursing facility providers to bill the IHCP directly for room and board under the hospice benefit. The steps involved in permitting this line item include the following situations:
  - Rule changes to Indiana Administrative Code (IAC) 405 IAC 1-16-4 to reflect the nursing facility may bill the IHCP directly for room and board under the hospice benefit at 95 percent of the nursing facility rate
  - Necessary system changes are made to accommodate this rule change

## **Additional Information**

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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Table 1 – New Hospice Rates

Hospice Wage Adjusted Rates							
Effective October 1, 2003							
County Name	County Code	Wage Index	Routine Home Care	Continuous Home Care Full Rate 24HRs	Continuous Home Care Hourly Rate	Inpatient Respite Care	General Inpatient Care
<b>Bloomington:</b>							
Monroe	53	0.9452	113.78	663.49	27.65	124.77	506.85
<b>Cincinnati:</b>							
Dearborn	15	0.9955	117.86	687.32	28.64	128.27	523.77
Ohio	58	0.9955	117.86	687.32	28.64	128.27	523.77
<b>Elkhart-Goshen:</b>							
Elkhart	20	1.0317	120.81	704.47	29.35	130.79	535.94
<b>Evansville:</b>							
Posey	65	0.8678	107.49	626.82	26.12	119.38	480.83
Vanderburgh	82	0.8678	107.49	626.82	26.12	119.38	480.83
Warrick	87	0.8678	107.49	626.82	26.12	119.38	480.83
<b>Fort Wayne:</b>							
Adams	1	1.0036	118.52	691.16	28.80	128.83	526.49
Allen	2	1.0036	118.52	691.16	28.80	128.83	526.49
DeKalb	17	1.0036	118.52	691.16	28.80	128.83	526.49
Huntington	35	1.0036	118.52	691.16	28.80	128.83	526.49
Wells	90	1.0036	118.52	691.16	28.80	128.83	526.49
Whitley	92	1.0036	118.52	691.16	28.80	128.83	526.49
<b>Gary:</b>							
Lake	45	1.0171	119.62	697.55	29.06	129.77	531.03
Porter	64	1.0171	119.62	697.55	29.06	129.77	531.03
<b>Indianapolis:</b>							
Boone	6	1.0312	120.76	704.23	29.34	130.75	535.77
Hamilton	29	1.0312	120.76	704.23	29.34	130.75	535.77
Hancock	30	1.0312	120.76	704.23	29.34	130.75	535.77
Hendricks	32	1.0312	120.76	704.23	29.34	130.75	535.77
Johnson	41	1.0312	120.76	704.23	29.34	130.75	535.77
Madison	48	1.0312	120.76	704.23	29.34	130.75	535.77

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Marion	49	1.0312	120.76	704.23	29.34	130.75	535.77
Morgan	55	1.0312	120.76	704.23	29.34	130.75	535.77
Shelby	73	1.0312	120.76	704.23	29.34	130.75	535.77
<b>Kokomo:</b>							
Howard	34	0.952	114.33	666.71	27.78	125.24	509.14
Tipton	80	0.952	114.33	666.71	27.78	125.24	509.14
<b>Lafayette:</b>							
Clinton	12	0.9846	116.98	682.15	28.42	127.51	520.10
Tippecanoe	79	0.9846	116.98	682.15	28.42	127.51	520.10
<b>Louisville:</b>							
Clark	10	0.9844	116.96	682.06	28.42	127.49	520.03
Floyd	22	0.9844	116.96	682.06	28.42	127.49	520.03
Harrison	31	0.9844	116.96	682.06	28.42	127.49	520.03
Scott	72	0.9844	116.96	682.06	28.42	127.49	520.03
<b>Muncie:</b>							
Delaware	18	0.9853	117.04	682.49	28.44	127.56	520.34
<b>South Bend:</b>							
St. Joseph	71	1.0402	121.50	708.49	29.52	131.38	538.80
<b>Terre Haute:</b>							
Clay	11	0.9126	111.13	648.05	27.00	122.50	495.89
Vermillion	83	0.9126	111.13	648.05	27.00	122.50	495.89
Vigo	84	0.9126	111.13	648.05	27.00	122.50	495.89
<b>Nonurban Areas:</b>							
Bartholomew	3	0.9291	112.47	655.86	27.33	123.65	501.44
Benton	4	0.9291	112.47	655.86	27.33	123.65	501.44
Blackford	5	0.9291	112.47	655.86	27.33	123.65	501.44
Brown	7	0.9291	112.47	655.86	27.33	123.65	501.44
Carroll	8	0.9291	112.47	655.86	27.33	123.65	501.44
Cass	9	0.9291	112.47	655.86	27.33	123.65	501.44

(Continued)

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Crawford	13	0.9291	112.47	655.86	27.33	123.65	501.44
Daviess	14	0.9291	112.47	655.86	27.33	123.65	501.44
Decatur	16	0.9291	112.47	655.86	27.33	123.65	501.44
Dubois	19	0.9291	112.47	655.86	27.33	123.65	501.44
Fayette	21	0.9291	112.47	655.86	27.33	123.65	501.44
Fountain	23	0.9291	112.47	655.86	27.33	123.65	501.44
Franklin	24	0.9291	112.47	655.86	27.33	123.65	501.44
Fulton	25	0.9291	112.47	655.86	27.33	123.65	501.44
Gibson	26	0.9291	112.47	655.86	27.33	123.65	501.44
Grant	27	0.9291	112.47	655.86	27.33	123.65	501.44
Greene	28	0.9291	112.47	655.86	27.33	123.65	501.44
Henry	33	0.9291	112.47	655.86	27.33	123.65	501.44
Jackson	36	0.9291	112.47	655.86	27.33	123.65	501.44
Jasper	37	0.9291	112.47	655.86	27.33	123.65	501.44
Jay	38	0.9291	112.47	655.86	27.33	123.65	501.44
Jefferson	39	0.9291	112.47	655.86	27.33	123.65	501.44
Jennings	40	0.9291	112.47	655.86	27.33	123.65	501.44
Knox	42	0.9291	112.47	655.86	27.33	123.65	501.44
Kosciusko	43	0.9291	112.47	655.86	27.33	123.65	501.44
Lagrange	44	0.9291	112.47	655.86	27.33	123.65	501.44
La Porte	46	0.9291	112.47	655.86	27.33	123.65	501.44
Lawrence	47	0.9291	112.47	655.86	27.33	123.65	501.44
Marshall	50	0.9291	112.47	655.86	27.33	123.65	501.44
Martin	51	0.9291	112.47	655.86	27.33	123.65	501.44
Miami	52	0.9291	112.47	655.86	27.33	123.65	501.44
Montgomery	54	0.9291	112.47	655.86	27.33	123.65	501.44
Newton	56	0.9291	112.47	655.86	27.33	123.65	501.44
Noble	57	0.9291	112.47	655.86	27.33	123.65	501.44
Orange	59	0.9291	112.47	655.86	27.33	123.65	501.44

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Owen	60	0.9291	112.47	655.86	27.33	123.65	501.44
Parke	61	0.9291	112.47	655.86	27.33	123.65	501.44
Perry	62	0.9291	112.47	655.86	27.33	123.65	501.44
Pike	63	0.9291	112.47	655.86	27.33	123.65	501.44
Pulaski	66	0.9291	112.47	655.86	27.33	123.65	501.44
Putnam	67	0.9291	112.47	655.86	27.33	123.65	501.44
Randolph	68	0.9291	112.47	655.86	27.33	123.65	501.44
Ripley	69	0.9291	112.47	655.86	27.33	123.65	501.44
Rush	70	0.9291	112.47	655.86	27.33	123.65	501.44
Spencer	74	0.9291	112.47	655.86	27.33	123.65	501.44
Starke	75	0.9291	112.47	655.86	27.33	123.65	501.44
Steuben	76	0.9291	112.47	655.86	27.33	123.65	501.44
Sullivan	77	0.9291	112.47	655.86	27.33	123.65	501.44
Switzerland	78	0.9291	112.47	655.86	27.33	123.65	501.44
Union	81	0.9291	112.47	655.86	27.33	123.65	501.44
Wabash	85	0.9291	112.47	655.86	27.33	123.65	501.44
Warren	86	0.9291	112.47	655.86	27.33	123.65	501.44
Washington	88	0.9291	112.47	655.86	27.33	123.65	501.44
Wayne	89	0.9291	112.47	655.86	27.33	123.65	501.44
White	91	0.9291	112.47	655.86	27.33	123.65	501.44