

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS

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FSSA announces FFY 2014 hospice rates

The Centers for Medicare & Medicaid Services (CMS) released new federal hospice rates for federal fiscal year 2014 (FFY 2014), effective for dates of service October 1, 2013, through September 30, 2014, inclusive. These rates are the basis for payments to Medicaid-enrolled hospice providers. Accordingly, the Family and Social Services Administration (FSSA) provides the following information regarding Indiana Health Coverage Programs (IHCP) hospice rates for this same time period:

- Brief explanation of how Myers and Stauffer, LC, the IHCP long-term care rate-setting contractor, calculates the new IHCP hospice rates
- List of the new IHCP hospice rates, as prepared by Myers and Stauffer, LC ([Table 1](#))
- List of the new IHCP hospice wage-adjusted rates for all geographical regions in Indiana ([Table 2](#))

Method of calculation

Reimbursement for the IHCP hospice benefits is based on the methodology established by the CMS for the administration of the federal Medicare program. Additionally, IHCP hospice rates include payment for any Medicare coinsurance amounts and are further adjusted for regional wage differences.

The total *per diem* amounts reimbursed to IHCP-enrolled providers are calculated according to the IHCP hospice member's level of care (LOC), as follows:

- Routine home hospice LOC in the private home – IHCP hospice *per diem* only
- Routine home hospice LOC in the nursing facility – IHCP hospice *per diem* plus room and board *per diem*
- Continuous home hospice LOC in the private home – IHCP hospice *per diem* only

- Continuous home hospice LOC in the nursing facility - IHCP hospice *per diem* plus room and board *per diem*
- Inpatient respite care for a member in the private home or nursing facility - IHCP hospice *per diem* only (Note: There is no additional room and board *per diem* for this service.)
- General inpatient care for a member in the private home or in the nursing facility – IHCP hospice *per diem* only (Note: There is no additional room and board *per diem* for this service.)

The hospice *per diem* for both routine and continuous home hospice LOC in the private home is adjusted using the wage index for the city or county where the member resides. The hospice *per diem* for both routine and continuous hospice LOC in the nursing facility is adjusted using the wage index of the city or county where the hospice facility is located.

In FFY 2014, hospice providers are required to comply with section 3004 of the *Affordable Care Act* (ACA) that amends the *Social Security Act* (the Act) to authorize a quality reporting program for hospice providers. *Section 1814 (i)(5)(A)(i)* of the Act requires that beginning with FFY 2014 and in each subsequent fiscal year, the market basket update will be reduced by 2 percentage points for any hospice provider that does not comply with the quality data reporting requirements and that Medicare minimum rates will be reduced by the amount of any penalty assessed for nonreporting. Medicaid agencies have the flexibility to pay more than the minimum rates reduced by the penalty. At its discretion, the FSSA does not intend to implement the reduced minimum rates imposed by the ACA during FFY 2014.

Federal *per diem* rates for hospice claims

The federal hospice payment rates for care and services provided for dates of service from October 1, 2013, through September 30, 2014, inclusive, are as follows:

Table 1 – Federal per diem rates for hospice claims

Level of Care	Daily Rate	Component Subject to Wage Index	Unweighted Component
Routine home hospice care	\$156.26	\$107.37	\$48.89
Continuous home hospice care	\$911.14	\$626.05	\$285.09
Inpatient respite care	\$169.92	\$91.98	\$77.94
General inpatient care	\$694.19	\$444.35	\$249.84

The daily rate is the sum of the amount subject to the wage index (the labor portion of the rate) plus the unweighted amount (the nonlabor portion of the rate). States must adjust the federal daily rate to reflect local geographical differences in wage levels. The wage-adjusted rates shown on Table 2 are computed by multiplying the federal “component subject to wage index” amount by the hospice wage index for the applicable geographic area and adding the result to the federal “unweighted component” amount.

IndianaAIM was updated with the new hospice rates before November 1, 2013, when providers began billing for October 2013 service dates. It is anticipated no mass adjustments to claims will be needed.

Table 2 – IHCP wage-adjusted rates for Hospice benefits
Effective for dates of service October 1, 2013, through September 30, 2014, inclusive

County name	County code	Hospice Wage Index ¹	Routine home care	Continuous home care full rate 24 hours	Continuous home care hourly rate	Inpatient respite care	General inpatient care
Urban areas							
Anderson:							
Madison	48	0.9723	153.29	893.80	37.24	167.37	681.88
Bloomington:							
Greene	28	0.8914	144.60	843.15	35.13	159.93	645.93
Monroe	53	0.8914	144.60	843.15	35.13	159.93	645.93
Owen	60	0.8914	144.60	843.15	35.13	159.93	645.93
Cincinnati:							
Dearborn	15	0.9684	152.87	891.36	37.14	167.01	680.15
Ohio	58	0.9684	152.87	891.36	37.14	167.01	680.15
Franklin	24	0.9684	152.87	891.36	37.14	167.01	680.15
Columbus:							
Bartholomew	3	0.9741	153.48	894.93	37.29	167.54	682.68
Elkhart-Goshen:							
Elkhart	20	0.9265	148.37	865.13	36.05	163.16	661.53
Evansville:							
Gibson	26	0.8556	140.76	820.74	34.20	156.64	630.03
Posey	65	0.8556	140.76	820.74	34.20	156.64	630.03
Vanderburgh	82	0.8556	140.76	820.74	34.20	156.64	630.03
Warrick	87	0.8556	140.76	820.74	34.20	156.64	630.03
Fort Wayne:							
Allen	2	0.9811	154.23	899.31	37.47	168.18	685.79
Wells	90	0.9811	154.23	899.31	37.47	168.18	685.79
Whitley	92	0.9811	154.23	899.31	37.47	168.18	685.79
Gary:							
Lake	45	0.9430	150.14	875.46	36.48	164.68	668.86
Jasper	37	0.9430	150.14	875.46	36.48	164.68	668.86
Newton	56	0.9430	150.14	875.46	36.48	164.68	668.86
Porter	64	0.9430	150.14	875.46	36.48	164.68	668.86
Indianapolis:							
Boone	6	1.0052	156.82	914.40	38.10	170.40	696.50
Brown	7	1.0052	156.82	914.40	38.10	170.40	696.50
Hamilton	29	1.0052	156.82	914.40	38.10	170.40	696.50
Hancock	30	1.0052	156.82	914.40	38.10	170.40	696.50
Hendricks	32	1.0052	156.82	914.40	38.10	170.40	696.50
Johnson	41	1.0052	156.82	914.40	38.10	170.40	696.50
Marion	49	1.0052	156.82	914.40	38.10	170.40	696.50
Morgan	55	1.0052	156.82	914.40	38.10	170.40	696.50
Putnam	67	1.0052	156.82	914.40	38.10	170.40	696.50
Shelby	73	1.0052	156.82	914.40	38.10	170.40	696.50

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Effective for dates of service October 1, 2013, through September 30, 2014, inclusive (Continued)

County name	County code	Hospice Wage Index ¹	Routine home care	Continuous home care full rate 24 hours	Continuous home care hourly rate	Inpatient respite care	General inpatient care
Kokomo:							
Howard	34	0.8918	144.64	843.40	35.14	159.97	646.11
Tipton	80	0.8918	144.64	843.40	35.14	159.97	646.11
Lafayette:							
Benton	4	0.9488	150.76	879.09	36.63	165.21	671.44
Carroll	8	0.9488	150.76	879.09	36.63	165.21	671.44
Tippecanoe	79	0.9488	150.76	879.09	36.63	165.21	671.44
Louisville:							
Clark	10	0.9026	145.80	850.16	35.42	160.96	650.91
Floyd	22	0.9026	145.80	850.16	35.42	160.96	650.91
Harrison	31	0.9026	145.80	850.16	35.42	160.96	650.91
Washington	88	0.9026	145.80	850.16	35.42	160.96	650.91
Michigan City/ LaPorte:							
La Porte	46	0.9873	154.90	903.19	37.63	168.75	688.55
Muncie:							
Delaware	18	0.8895	144.40	841.96	35.08	159.76	645.09
South Bend:							
St. Joseph	71	0.9707	153.11	892.80	37.20	167.22	681.17
Terre Haute:							
Clay	11	0.9281	148.54	866.13	36.09	163.31	662.24
Sullivan	77	0.9281	148.54	866.13	36.09	163.31	662.24
Vermillion	83	0.9281	148.54	866.13	36.09	163.31	662.24
Vigo	84	0.9281	148.54	866.13	36.09	163.31	662.24
Nonurban areas							
Adams	1	0.8628	141.53	825.25	34.39	157.30	633.23
Blackford	5	0.8628	141.53	825.25	34.39	157.30	633.23
Cass	9	0.8628	141.53	825.25	34.39	157.30	633.23
Clinton	12	0.8628	141.53	825.25	34.39	157.30	633.23
Crawford	13	0.8628	141.53	825.25	34.39	157.30	633.23
Daviess	14	0.8628	141.53	825.25	34.39	157.30	633.23
De Kalb	17	0.8628	141.53	825.25	34.39	157.30	633.23
Decatur	16	0.8628	141.53	825.25	34.39	157.30	633.23
Dubois	19	0.8628	141.53	825.25	34.39	157.30	633.23
Fayette	21	0.8628	141.53	825.25	34.39	157.30	633.23
Fountain	23	0.8628	141.53	825.25	34.39	157.30	633.23
Fulton	25	0.8628	141.53	825.25	34.39	157.30	633.23
Grant	27	0.8628	141.53	825.25	34.39	157.30	633.23
Henry	33	0.8628	141.53	825.25	34.39	157.30	633.23
Huntington	35	0.8628	141.53	825.25	34.39	157.30	633.23
Jackson	36	0.8628	141.53	825.25	34.39	157.30	633.23
Jay	38	0.8628	141.53	825.25	34.39	157.30	633.23

Table 2 – IHCP wage-adjusted rates for Hospice benefits
Effective for dates of service October 1, 2013, through September 30, 2014, inclusive (Continued)

County name	County code	Hospice Wage Index ¹	Routine home care	Continuous home care full rate 24 hours	Continuous home care hourly rate	Inpatient respite care	General inpatient care
Jefferson	39	0.8628	141.53	825.25	34.39	157.30	633.23
Jennings	40	0.8628	141.53	825.25	34.39	157.30	633.23
Knox	42	0.8628	141.53	825.25	34.39	157.30	633.23
Kosciusko	43	0.8628	141.53	825.25	34.39	157.30	633.23
Lagrange	44	0.8628	141.53	825.25	34.39	157.30	633.23
Lawrence	47	0.8628	141.53	825.25	34.39	157.30	633.23
Marshall	50	0.8628	141.53	825.25	34.39	157.30	633.23
Martin	51	0.8628	141.53	825.25	34.39	157.30	633.23
Miami	52	0.8628	141.53	825.25	34.39	157.30	633.23
Montgomery	54	0.8628	141.53	825.25	34.39	157.30	633.23
Noble	57	0.8628	141.53	825.25	34.39	157.30	633.23
Orange	59	0.8628	141.53	825.25	34.39	157.30	633.23
Parke	61	0.8628	141.53	825.25	34.39	157.30	633.23
Perry	62	0.8628	141.53	825.25	34.39	157.30	633.23
Pike	63	0.8628	141.53	825.25	34.39	157.30	633.23
Pulaski	66	0.8628	141.53	825.25	34.39	157.30	633.23
Randolph	68	0.8628	141.53	825.25	34.39	157.30	633.23
Ripley	69	0.8628	141.53	825.25	34.39	157.30	633.23
Rush	70	0.8628	141.53	825.25	34.39	157.30	633.23
Scott	72	0.8628	141.53	825.25	34.39	157.30	633.23
Spencer	74	0.8628	141.53	825.25	34.39	157.30	633.23
Starke	75	0.8628	141.53	825.25	34.39	157.30	633.23
Steuben	76	0.8628	141.53	825.25	34.39	157.30	633.23
Switzerland	78	0.8628	141.53	825.25	34.39	157.30	633.23
Union	81	0.8628	141.53	825.25	34.39	157.30	633.23
Wabash	85	0.8628	141.53	825.25	34.39	157.30	633.23
Warren	86	0.8628	141.53	825.25	34.39	157.30	633.23
Wayne	89	0.8628	141.53	825.25	34.39	157.30	633.23
White	91	0.8628	141.53	825.25	34.39	157.30	633.23

¹The Hospice Wage Index was published in the *Federal Register* on August 7, 2013. States adjust the wage component of the daily hospice payment rates to reflect geographical differences in the wage levels.

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