

# IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS    BT201573    OCTOBER 13, 2015

## FSSA announces FFY 2016 hospice rates

The Centers for Medicare & Medicaid Services (CMS) released new federal hospice rates for federal fiscal year 2016 (FFY 2016), effective for dates of service October 1, 2015, through September 30, 2016, inclusive. These rates are the basis for payments to Medicaid-enrolled hospice providers. Accordingly, the Indiana Family and Social Services Administration (FSSA) is providing information regarding Indiana Health Coverage Programs (IHCP) hospice rates for this same time period.

Under the final Medicare hospice rule (CMS-1629-F), changes were made to the payment methodology for routine home care. The change implements two rates that will result in a higher base payment for the first 60 days of hospice care and a reduced base payment rate for days thereafter. The rule also established a service intensity add-on (SIA) payment for services provided by a registered nurse (RN) or social worker during the last seven days of a beneficiary's life. These changes are effective January 1, 2016. Payment rates reflecting these changes are included in this bulletin.



### IHCP hospice rate calculation

Reimbursement for IHCP hospice benefits is based on the methodology established by the CMS for the administration of the federal Medicare program. Additionally, IHCP 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 SIA payment is in addition to the routine home care *per diem* rate in both the private home and in the nursing facility. The SIA payment is equal to the continuous home care hourly rate multiplied by the hours of nursing or social work provided on the date of service (up to four hours total). The SIA payment is also adjusted for regional wage differences.

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



Section 3004 of the *Affordable Care Act* (ACA) amended 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 the market basket update be reduced by two percentage points for any hospice provider that does not comply with the quality data reporting requirements, and that Medicare minimum rates 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 2016.

### **Federal *per diem* rates for hospice claims**

The federal Medicaid hospice payment rates for care and services provided from October 1, 2015, through September 30, 2016, inclusive, are reflected on the following tables:

- [Table 1](#) – Federal *per diem* rates for continuous home care, inpatient respite care, and general inpatient care effective October 1, 2015, through September 30, 2016
- [Table 2](#) – Federal *per diem* rates for routine home care effective October 1, 2015, through December 31, 2015
- [Table 3](#) – Federal *per diem* rates for routine home care effective January 1, 2016, through September 30, 2016
- [Table 4](#) – Federal rates for service intensity add-on payments made in conjunction with routine home care effective January 1, 2016, through September 30, 2016
- [Table 5](#) – IHCP wage-adjusted rates for hospice benefits effective for dates of service October 1, 2015, through September 30, 2016, inclusive

Note that the daily or hourly rate on each table is the sum of the amount subject to wage index (the labor portion of the rate) plus the unweighted amount (the nonlabor portion of the rate). States must adjust the federal daily or hourly rate to reflect local geographical differences in wage levels. The wage-adjusted rates shown on Table 5 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.

The IHCP will update IndianaAIM, the claims processing system, with the new hospice rates by November 1, 2015, when providers begin billing for October service dates. It is anticipated that no mass adjustment of claims will be needed.

*Table 1 – Federal per diem rates for continuous home care, inpatient respite care, and general inpatient care effective October 1, 2015, through September 30, 2016*

Level of Care	Daily Rate	Component Subject to Wage Index	Unweighted Component
Continuous home hospice care	\$945.16	\$649.42	\$295.74
Inpatient respite care	\$176.26	\$95.41	\$80.85
General inpatient care	\$720.11	\$460.94	\$259.17

*Table 2 – Federal per diem rates for routine home care effective October 1, 2015, through December 31, 2015*

Level of Care	Daily Rate	Component Subject to Wage Index	Unweighted Component
Routine home care	\$162.10	\$111.38	\$50.72

*Table 3 – Federal per diem rates for routine home care effective January 1, 2016, through September 30, 2016*

Level of Care	Daily Rate	Component Subject to Wage Index	Unweighted Component
Routine home care (days 1-60)	\$187.08	\$128.54	\$58.54
Routine home care (days 61+)	\$147.02	\$101.02	\$46.00

*Table 4 – Federal rates for service intensity add-on payments made in conjunction with routine home care effective January 1, 2016, through September 30, 2016*

Level of Care	Hourly Rate	Component Subject to Wage Index	Unweighted Component
Service intensity add-on	\$39.38	\$27.06	\$12.32

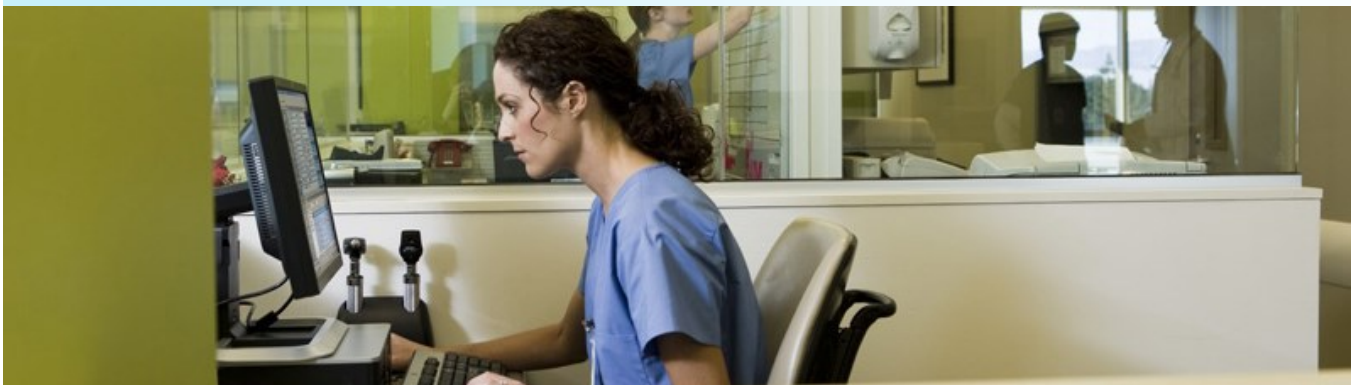


Table 5 – IHCP wage-adjusted rates for hospice benefits

County name	County code	Wage index <sup>1</sup>	10/1/15-12/31/15 All days routine home care	1/1/16-9/30/16 Days 1-60 routine home care	1/1/16-9/30/16 Days 61+ routine home care	Continuous home care full rate 24 hours	Continuous home care hourly rate <sup>2</sup>	Inpatient respite care	General inpatient care
<b>Urban Areas</b>									
<b>Bloomington:</b>									
Monroe	53	0.9062	151.65	175.02	137.54	884.24	36.84	167.31	676.87
Owen	60	0.9062	151.65	175.02	137.54	884.24	36.84	167.31	676.87
<b>Cincinnati:</b>									
Dearborn	15	0.9473	156.23	180.31	141.70	910.94	37.96	171.23	695.82
Ohio	58	0.9473	156.23	180.31	141.70	910.94	37.96	171.23	695.82
Union	81	0.8945	150.35	173.52	136.36	876.65	36.53	166.19	671.48
<b>Columbus:</b>									
Bartholomew	3	0.9881	160.77	185.55	145.82	937.43	39.06	175.12	714.62
<b>Elkhart-Goshen:</b>									
Elkhart	20	0.9013	151.11	174.39	137.05	881.06	36.71	166.84	674.61
<b>Evansville:</b>									
Posey	65	0.8537	145.81	168.27	132.24	850.15	35.42	162.30	652.67
Vanderburgh	82	0.8537	145.81	168.27	132.24	850.15	35.42	162.30	652.67
Warrick	87	0.8537	145.81	168.27	132.24	850.15	35.42	162.30	652.67
<b>Fort Wayne:</b>									
Allen	2	0.9423	155.67	179.66	141.19	907.69	37.82	170.75	693.51
Wells	90	0.9423	155.67	179.66	141.19	907.69	37.82	170.75	693.51
Whitley	92	0.9423	155.67	179.66	141.19	907.69	37.82	170.75	693.51
<b>Gary:</b>									
Jasper	37	0.9443	155.90	179.92	141.39	908.99	37.87	170.95	694.44
Lake	45	0.9443	155.90	179.92	141.39	908.99	37.87	170.95	694.44
Newton	56	0.9443	155.90	179.92	141.39	908.99	37.87	170.95	694.44
Porter	64	0.9443	155.90	179.92	141.39	908.99	37.87	170.95	694.44
<b>Indianapolis-Carmel-Anderson:</b>									
Boone	6	1.0135	163.60	188.82	148.38	953.93	39.75	177.55	726.33
Brown	7	1.0135	163.60	188.82	148.38	953.93	39.75	177.55	726.33
Hamilton	29	1.0135	163.60	188.82	148.38	953.93	39.75	177.55	726.33
Hancock	30	1.0135	163.60	188.82	148.38	953.93	39.75	177.55	726.33
Hendricks	32	1.0135	163.60	188.82	148.38	953.93	39.75	177.55	726.33
Johnson	41	1.0135	163.60	188.82	148.38	953.93	39.75	177.55	726.33
Madison	48	1.0106	163.28	188.44	148.09	952.04	39.67	177.27	725.00
Marion	49	1.0135	163.60	188.82	148.38	953.93	39.75	177.55	726.33
Morgan	55	1.0135	163.60	188.82	148.38	953.93	39.75	177.55	726.33
Putnam	67	1.0135	163.60	188.82	148.38	953.93	39.75	177.55	726.33
Shelby	73	1.0135	163.60	188.82	148.38	953.93	39.75	177.55	726.33

<sup>1</sup>The Hospice Wage Index was published in the *Federal Register* on August 6, 2015. States adjust the wage component of the daily hospice payment rates to reflect geographical differences in the wage levels.

<sup>2</sup>The continuous home care hourly rate, as adjusted, is used to calculate the SIA payment amount.



Table 5 – IHCP wage-adjusted rates for hospice benefits (continued)

County name	County code	Wage index <sup>1</sup>	10/1/15-12/31/15 All days routine home care	1/1/16-9/30/16 Days 1-60 routine home care	1/1/16-9/30/16 Days 61+ routine home care	Continuous home care full rate 24 hours	Continuous home care hourly rate <sup>2</sup>	Inpatient respite care	General inpatient care
<b>Kokomo:</b>									
Howard	34	0.8990	150.85	174.10	136.82	879.57	36.65	166.62	673.55
<b>Lafayette/West Lafayette:</b>									
Benton	4	0.9638	158.07	182.43	143.36	921.65	38.40	172.81	703.42
Carroll	8	0.9638	158.07	182.43	143.36	921.65	38.40	172.81	703.42
Tippecanoe	79	0.9638	158.07	182.43	143.36	921.65	38.40	172.81	703.42
<b>Louisville/Jefferson County:</b>									
Clark	10	0.8599	146.50	169.07	132.87	854.18	35.59	162.89	655.53
Floyd	22	0.8599	146.50	169.07	132.87	854.18	35.59	162.89	655.53
Harrison	31	0.8599	146.50	169.07	132.87	854.18	35.59	162.89	655.53
Washington	88	0.8599	146.50	169.07	132.87	854.18	35.59	162.89	655.53
Scott	72	0.8511	145.52	167.94	131.98	848.46	35.35	162.05	651.48
<b>Michigan City/LaPorte:</b>									
La Porte	46	0.9472	156.22	180.29	141.69	910.87	37.95	171.22	695.77
<b>Muncie:</b>									
Delaware	18	0.9174	152.90	176.46	138.68	891.52	37.15	168.38	682.04
<b>South Bend-Mishawaka:</b>									
St. Joseph	71	0.9172	152.88	176.44	138.66	891.39	37.14	168.36	681.94
<b>Terre Haute:</b>									
Clay	11	0.9145	152.58	176.09	138.38	889.63	37.07	168.10	680.70
Sullivan	77	0.9145	152.58	176.09	138.38	889.63	37.07	168.10	680.70
Vermillion	83	0.9145	152.58	176.09	138.38	889.63	37.07	168.10	680.70
Vigo	84	0.9145	152.58	176.09	138.38	889.63	37.07	168.10	680.70
<b>Nonurban Areas:</b>									
Adams	1	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Blackford	5	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Cass	9	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Clinton	12	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Crawford	13	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Daviess	14	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
De Kalb	17	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Decatur	16	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Dubois	19	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Fayette	21	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Fountain	23	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Franklin	24	0.8945	150.35	173.52	136.36	876.65	36.53	166.19	671.48
Fulton	25	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Gibson	26	0.8477	145.14	167.50	131.64	846.25	35.26	161.73	649.91
Grant	27	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Greene	28	0.8739	148.06	170.87	134.28	863.27	35.97	164.23	661.99
Henry	33	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10

<sup>1</sup>The Hospice Wage Index was published in the *Federal Register* on August 6, 2015. States adjust the wage component of the daily hospice payment rates to reflect geographical differences in the wage levels.

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<b>Nonurban Areas (cont.):</b>									
Huntington	35	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Jackson	36	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Jay	38	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Jefferson	39	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Jennings	40	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Knox	42	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Kosciusko	43	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Lagrange	44	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Lawrence	47	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Marshall	50	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Martin	51	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Miami	52	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Montgomery	54	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Noble	57	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Orange	59	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Parke	61	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Perry	62	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Pike	63	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Pulaski	66	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Randolph	68	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Ripley	69	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Rush	70	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Spencer	74	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Starke	75	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Steuben	76	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Switzerland	78	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Tipton	80	0.8703	147.65	170.41	133.92	860.93	35.87	163.89	660.33
Wabash	85	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Warren	86	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
Wayne	89	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10
White	91	0.8416	144.46	166.72	131.02	842.29	35.10	161.15	647.10

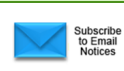
<sup>1</sup>The Hospice Wage Index was published in the *Federal Register* on August 6, 2015. States adjust the wage component of the daily hospice payment rates to reflect geographical differences in the wage levels.

<sup>2</sup>The continuous home care hourly rate, as adjusted, is used to calculate the SIA payment amount.

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