

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT201657 SEPTEMBER 27, 2016

FSSA announces FFY 2017 hospice rates

The Centers for Medicare & Medicaid Services (CMS) released new federal hospice rates for federal fiscal year 2017 (FFY 2017), effective for dates of service October 1, 2016, through September 30, 2017, 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 the same time period.

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 home – 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 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.)

■ The service intensity add-on (SIA) payment is in addition to the routine home care *per diem* rate for services delivered in the private home as well as 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 hospice *per diem* rates for routine and continuous home hospice LOC in the private home, as well as the payment for SIA services 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 routine and continuous hospice LOC in the nursing facility, as well as the payment for SIA services 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 2 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 2017.

Federal per diem rates for hospice claims

The federal Medicaid hospice payment rates for care and services provided from October 1, 2016, through September 30, 2017, inclusive, are reflected on the following tables:

- Table 1 – Federal *per diem* rates for routine home care, continuous home care, inpatient respite care, and general inpatient care effective October 1, 2016, through September 30, 2017
- [Table 2](#) – Federal rates for service intensity add-on payments made in conjunction with routine home care effective October 1, 2016, through September 30, 2017
- [Table 3](#) – IHCP wage-adjusted rates for hospice benefits effective for dates of service October 1, 2016, through September 30, 2017, 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 3 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 claim-processing system, with the new hospice rates by November 1, 2016, 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 routine home care, continuous home care, inpatient respite care, and general inpatient care effective October 1, 2016, through September 30, 2017

Level of care	Daily rate	Component subject to wage index	Unweighted component
Routine home care (days 1-60)	\$190.80	\$131.10	\$59.70
Routine home care (days 61+)	\$150.01	\$103.07	\$46.94
Continuous home care	\$965.01	\$663.06	\$301.95
Inpatient respite care	\$179.97	\$97.42	\$82.55
General inpatient care	\$734.94	\$470.44	\$264.50

Table 2 – Federal rates for service intensity add-on payments made in conjunction with routine home care effective October 1, 2016, through September 30, 2017

Level of care	Daily rate	Component subject to wage index	Unweighted component
Service intensity add-on	\$40.21	\$27.63	\$12.58

Table 3 – IHCP wage-adjusted rates for hospice benefits effective for dates of service October 1, 2016, through September 30, 2017, inclusive

County name	County code	Wage index ¹	Routine home care (days 1-60)	Routine home care (days 61+)	Routine home care service intensity add-on	Continuous home care full rate 24 hours	Continuous home care hourly rate ²	Inpatient respite care	General inpatient care
Urban Areas									
Bloomington:									
Monroe	53	0.9169	179.91	141.44	37.91	909.91	37.91	171.87	695.85
Owen	60	0.9169	179.91	141.44	37.91	909.91	37.91	171.87	695.85
Cincinnati:									
Dearborn	15	0.9439	183.45	144.23	38.66	927.81	38.66	174.50	708.55
Ohio	58	0.9439	183.45	144.23	38.66	927.81	38.66	174.50	708.55
Union	81	0.9439	183.45	144.23	38.66	927.81	38.66	174.50	708.55
Columbus:									
Bartholomew	3	1.0305	194.80	153.15	41.05	985.23	41.05	182.94	749.29
Elkhart/									
Goshen:									
Elkhart	20	0.9236	180.78	142.14	38.10	914.35	38.10	172.53	699.00
Evansville:									
Posey	65	0.8875	176.05	138.41	37.10	890.42	37.10	169.01	682.02
Vanderburgh	82	0.8875	176.05	138.41	37.10	890.42	37.10	169.01	682.02
Warrick	87	0.8875	176.05	138.41	37.10	890.42	37.10	169.01	682.02
Fort Wayne:									
Allen	2	0.8898	176.35	138.65	37.17	891.94	37.16	169.23	683.10
Wells	90	0.8898	176.35	138.65	37.17	891.94	37.16	169.23	683.10
Whitley	92	0.8898	176.35	138.65	37.17	891.94	37.16	169.23	683.10
Gary:									
Jasper	37	0.9513	184.42	144.99	38.86	932.72	38.86	175.23	712.03
Lake	45	0.9513	184.42	144.99	38.86	932.72	38.86	175.23	712.03
Newton	56	0.9513	184.42	144.99	38.86	932.72	38.86	175.23	712.03
Porter	64	0.9513	184.42	144.99	38.86	932.72	38.86	175.23	712.03
Indianapolis/									
Carmel/									
Anderson:									
Boone	6	1.0050	191.46	150.53	40.35	968.33	40.35	180.46	737.29
Brown	7	1.0050	191.46	150.53	40.35	968.33	40.35	180.46	737.29
Hamilton	29	1.0050	191.46	150.53	40.35	968.33	40.35	180.46	737.29
Hancock	30	1.0050	191.46	150.53	40.35	968.33	40.35	180.46	737.29
Hendricks	32	1.0050	191.46	150.53	40.35	968.33	40.35	180.46	737.29
Johnson	41	1.0050	191.46	150.53	40.35	968.33	40.35	180.46	737.29
Madison	48	1.0050	191.46	150.53	40.35	968.33	40.35	180.46	737.29
Marion	49	1.0050	191.46	150.53	40.35	968.33	40.35	180.46	737.29
Morgan	55	1.0050	191.46	150.53	40.35	968.33	40.35	180.46	737.29
Putnam	67	1.0050	191.46	150.53	40.35	968.33	40.35	180.46	737.29
Shelby	73	1.0050	191.46	150.53	40.35	968.33	40.35	180.46	737.29

Table 3 – IHCP wage-adjusted rates for hospice benefits effective for dates of service
October 1, 2016, through September 30, 2017, inclusive (Continued)

County name	County code	Wage index ¹	Routine home care (days 1-60)	Routine home care (days 61+)	Routine home care service intensity add-on	Continuous home care full rate 24 hours	Continuous home care hourly rate ²	Inpatient respite care	General inpatient care
Kokomo:									
Howard	34	0.8958	177.14	139.27	37.33	895.92	37.33	169.82	685.92
Lafayette/ West Lafayette:									
Benton	4	0.9885	189.29	148.82	39.89	957.38	39.89	178.85	729.53
Carroll	8	0.9885	189.29	148.82	39.89	957.38	39.89	178.85	729.53
Tippecanoe	79	0.9885	189.29	148.82	39.89	957.38	39.89	178.85	729.53
Louisville/ Jefferson County:									
Clark	10	0.8756	174.49	137.19	36.77	882.53	36.77	167.85	676.42
Floyd	22	0.8756	174.49	137.19	36.77	882.53	36.77	167.85	676.42
Harrison	31	0.8756	174.49	137.19	36.77	882.53	36.77	167.85	676.42
Washington	72	0.8756	174.49	137.19	36.77	882.53	36.77	167.85	676.42
Scott	88	0.8756	174.49	137.19	36.77	882.53	36.77	167.85	676.42
Michigan City/La Porte:									
La Porte	46	0.9513	184.42	144.99	38.86	932.72	38.86	175.23	712.03
Muncie:									
Delaware	18	0.9372	182.57	143.54	38.47	923.37	38.47	173.85	705.40
South Bend/ Mishawaka:									
St. Joseph	71	0.9240	180.84	142.18	38.11	914.62	38.11	172.57	699.19
Terre Haute:									
Clay	11	0.9140	179.53	141.15	37.83	907.99	37.83	171.59	694.48
Sullivan	77	0.9140	179.53	141.15	37.83	907.99	37.83	171.59	694.48
Vermillion	83	0.9140	179.53	141.15	37.83	907.99	37.83	171.59	694.48
Vigo	84	0.9140	179.53	141.15	37.83	907.99	37.83	171.59	694.48
Nonurban Areas:									
Adams	1	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Blackford	5	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Cass	9	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Clinton	12	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Crawford	13	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Daviess	14	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
De Kalb	17	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Decatur	16	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Dubois	19	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Fayette	21	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Fountain	23	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Franklin	24	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Fulton	25	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Gibson	26	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Grant	27	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Greene	28	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Henry	33	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Huntington	35	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Jackson	36	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Jay	38	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Jefferson	39	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82

Table 3 – IHCP wage-adjusted rates for hospice benefits effective for dates of service October 1, 2016, through September 30, 2017, inclusive (Continued)

County name	County code	Wage index ¹	Routine home care (days 1-60)	Routine home care (days 61+)	Routine home care service intensity add-on	Continuous home care full rate 24 hours	Continuous home care hourly rate ²	Inpatient respite care	General inpatient care
Nonurban Areas (Continued):									
Jennings	40	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Knox	42	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Kosciusko	43	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
LaGrange	44	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Lawrence	47	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Marshall	50	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Martin	51	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Miami	52	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Montgomery	54	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Noble	57	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Orange	59	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Parke	61	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Perry	62	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Pike	63	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Pulaski	66	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Randolph	68	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Ripley	69	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Rush	70	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Spencer	74	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Starke	75	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Steuben	76	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Switzerland	78	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Tipton	80	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Wabash	85	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Warren	86	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
Wayne	89	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82
White	91	0.8297	168.47	132.46	35.50	852.09	35.50	163.38	654.82

¹The Hospice Wage Index was published in the *Federal Register* on August 5, 2016. States adjust the wage component of the daily hospice payment rates to reflect geographical differences in the wage levels.

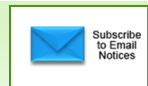
²The continuous home care hourly rate, as adjusted, is used to calculate the SIA payment amount.

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