

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT201950 SEPTEMBER 17, 2019

CMS releases new federal hospice rates for fiscal year 2020

The Centers for Medicare & Medicaid Services (CMS) released new federal hospice rates for federal fiscal year 2020 (FFY 2020), effective for dates of service October 1, 2019, through September 30, 2020. 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 and location of service as follows:

- Routine home hospice in the private home – IHCP hospice per diem only
- Routine home hospice in the nursing home – IHCP hospice per diem plus room and board per diem
- Continuous home hospice in the private home – IHCP hospice per diem only
- Continuous home hospice 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 in 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 4 hours total). The SIA payment is also adjusted for regional wage differences.

The hospice per diem rates for routine and continuous home hospice 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 routine and continuous hospice 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 2 percentage points for any hospice provider that does not comply with the quality data reporting requirements, and that Medicaid 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 2020.

Using the hospice payment reform authority under section 1814(i)(6) of the Act, the FFY 2020 per diem payment rates for continuous home care, inpatient respite care, and general inpatient care were rebased to more accurately align payments with the cost of providing care. In addition, the 1-year lag was removed from the prefloor, preclassified hospital wage index that is used in calculating the hospice wage index.



Federal per diem rates for hospice claims

The Medicaid hospice payment rates for care and services provided from October 1, 2019, through September 30, 2020, 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, 2019, through September 30, 2020
- Table 2 – Federal rates for SIA payments made in conjunction with routine home care effective October 1, 2019, through September 30, 2020
- Table 3 – IHCP wage-adjusted rates for hospice benefits effective for dates of service October 1, 2019, through September 30, 2020

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 are required to 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 claim-processing systems with the new hospice rates by November 1, 2019, 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, 2019, through September 30, 2020

Level of service	Daily rate	Component subject to wage index	Unweighted component
Routine home care (days 1-60)	\$194.75	\$133.81	\$60.94
Routine home care (days 61+)	\$153.92	\$105.76	\$48.16
Continuous home care	\$1,396.17	\$959.31	\$436.86
Inpatient respite care	\$473.79	\$256.46	\$217.33
General inpatient care	\$1,021.25	\$653.70	\$367.55

Table 2 – Federal rates for service intensity add-on payments made in conjunction with routine home care effective October 1, 2019, through September 30, 2020

Level of service	Daily rate	Component subject to wage index	Unweighted component
Service intensity add-on	\$58.17	\$39.97	\$18.20

Table 3 – IHCP wage-adjusted rates for hospice benefits, effective for dates of service October 1, 2019, through September 30, 2020

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	0.8810	178.83	141.33	53.41	1,282.01	53.42	443.27	943.46
Owen	60	0.8810	178.83	141.33	53.41	1,282.01	53.42	443.27	943.46
Cincinnati:									
Dearborn	15	0.9332	185.81	146.86	55.50	1,332.09	55.50	456.66	977.58
Ohio	58	0.9332	185.81	146.86	55.50	1,332.09	55.50	456.66	977.58
Union	81	0.9332	185.81	146.86	55.50	1,332.09	55.50	456.66	977.58
Columbus:									
Bartholomew	3	1.0244	198.01	156.50	59.15	1,419.58	59.15	480.05	1,037.20
Elkhart/									
Goshen:									
Elkhart	20	0.9317	185.61	146.70	55.44	1,330.65	55.44	456.27	976.60
Evansville:									
Posey	65	0.9138	183.22	144.80	54.72	1,313.48	54.73	451.68	964.90
Vanderburgh	82	0.9138	183.22	144.80	54.72	1,313.48	54.73	451.68	964.90
Warrick	87	0.9138	183.22	144.80	54.72	1,313.48	54.73	451.68	964.90
Fort Wayne:									
Allen	2	0.8789	178.55	141.11	53.33	1,280.00	53.33	442.73	942.09
Wells	90	0.8789	178.55	141.11	53.33	1,280.00	53.33	442.73	942.09
Whitley	92	0.8789	178.55	141.11	53.33	1,280.00	53.33	442.73	942.09
Gary:									
Jasper	37	0.9339	185.91	146.93	55.53	1,332.76	55.53	456.84	978.04
Lake	45	0.9339	185.91	146.93	55.53	1,332.76	55.53	456.84	978.04
Newton	56	0.9339	185.91	146.93	55.53	1,332.76	55.53	456.84	978.04
Porter	64	0.9339	185.91	146.93	55.53	1,332.76	55.53	456.84	978.04
Indianapolis/									
Carmel/									
Anderson:									
Boone	6	1.0106	196.17	155.04	58.59	1,406.34	58.60	476.51	1,028.18
Brown	7	1.0106	196.17	155.04	58.59	1,406.34	58.60	476.51	1,028.18
Hamilton	29	1.0106	196.17	155.04	58.59	1,406.34	58.60	476.51	1,028.18
Hancock	30	1.0106	196.17	155.04	58.59	1,406.34	58.60	476.51	1,028.18
Hendricks	32	1.0106	196.17	155.04	58.59	1,406.34	58.60	476.51	1,028.18
Johnson	41	1.0106	196.17	155.04	58.59	1,406.34	58.60	476.51	1,028.18
Madison	48	1.0106	196.17	155.04	58.59	1,406.34	58.60	476.51	1,028.18
Marion	49	1.0106	196.17	155.04	58.59	1,406.34	58.60	476.51	1,028.18
Morgan	55	1.0106	196.17	155.04	58.59	1,406.34	58.60	476.51	1,028.18
Putnam	67	1.0106	196.17	155.04	58.59	1,406.34	58.60	476.51	1,028.18
Shelby	73	1.0106	196.17	155.04	58.59	1,406.34	58.60	476.51	1,028.18

Table 3 – IHCP wage-adjusted rates for hospice benefits, effective for dates of service October 1, 2019, through September 30, 2020 (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	0.9434	187.18	147.93	55.91	1,341.87	55.91	459.27	984.25
Lafayette/ West Lafayette:									
Benton	4	0.9613	189.57	149.83	56.62	1,359.04	56.63	463.86	995.95
Carroll	8	0.9613	189.57	149.83	56.62	1,359.04	56.63	463.86	995.95
Tippecanoe	79	0.9613	189.57	149.83	56.62	1,359.04	56.63	463.86	995.95
Louisville/ Jefferson County:									
Clark	10	0.8844	179.28	141.69	53.55	1,285.27	53.55	444.14	945.68
Floyd	22	0.8844	179.28	141.69	53.55	1,285.27	53.55	444.14	945.68
Harrison	31	0.8844	179.28	141.69	53.55	1,285.27	53.55	444.14	945.68
Scott	72	0.8844	179.28	141.69	53.55	1,285.27	53.55	444.14	945.68
Washington	88	0.8844	179.28	141.69	53.55	1,285.27	53.55	444.14	945.68
Michigan City/La Porte:									
La Porte	46	0.9319	185.64	146.72	55.45	1,330.84	55.45	456.33	976.73
Muncie:									
Delaware	18	0.8941	180.58	142.72	53.94	1,294.58	53.94	446.63	952.02
South Bend/ Mishawaka:									
St. Joseph	71	0.9269	184.97	146.19	55.25	1,326.04	55.25	455.04	973.46
Terre Haute:									
Clay	11	0.9197	184.01	145.43	54.96	1,319.14	54.96	453.20	968.76
Sullivan	77	0.9197	184.01	145.43	54.96	1,319.14	54.96	453.20	968.76
Vermillion	83	0.9197	184.01	145.43	54.96	1,319.14	54.96	453.20	968.76
Vigo	84	0.9197	184.01	145.43	54.96	1,319.14	54.96	453.20	968.76
Nonurban Areas:									
Adams	1	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Blackford	5	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Cass	9	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Clinton	12	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Crawford	13	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Daviess	14	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
De Kalb	17	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Decatur	16	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Dubois	19	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Fayette	21	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Fountain	23	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Franklin	24	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Fulton	25	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Gibson	26	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Grant	27	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Greene	28	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Henry	33	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Huntington	35	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Jackson	36	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Jay	38	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36

Table 3 – IHCP wage-adjusted rates for hospice benefits, effective for dates of service October 1, 2019, through September 30, 2020 (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):									
Jefferson	39	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Jennings	40	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Knox	42	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Kosciusko	43	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
LaGrange	44	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Lawrence	47	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Marshall	50	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Martin	51	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Miami	52	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Montgomery	54	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Noble	57	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Orange	59	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Parke	61	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Perry	62	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Pike	63	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Pulaski	66	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Randolph	68	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Ripley	69	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Rush	70	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Spencer	74	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Starke	75	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Steuben	76	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Switzerland	78	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Tipton	80	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Wabash	85	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Warren	86	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
Wayne	89	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36
White	91	0.8319	172.26	136.14	51.45	1,234.91	51.45	430.68	911.36

¹ The Hospice Wage Index was published in the Federal Register on August 6, 2019. States adjust the wage component of the daily hospice payment rates to reflect geographical differences in the wage levels.

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

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