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**To: All Medicaid-Enrolled Physicians, Hospitals, and Hospice Providers**

**Subject: Policies and Procedures on Medicaid Prior Authorization and Reimbursement for the Treatment of the Medicaid Hospice Recipient's Non-Terminal Conditions**

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## Overview

Once a Medicaid recipient elects the Medicaid Hospice benefit, his or her hospice care comes under the supervision of the Medicaid hospice provider. This bulletin will address how medical care unrelated to a terminal condition will be covered for the Medicaid hospice recipient. The purpose of this bulletin is to provide non-hospice providers the same information that was shared with hospice providers in the Medicaid Hospice Provider Manual.

As needed by the Medicaid hospice recipient, the Indiana Medicaid program expects hospice providers to actively interface with and coordinate services with other Medicaid providers providing non-hospice services. The hospice provider's coordination and the non-hospice provider's billing responsibilities are outlined in this bulletin. **The Medicaid provider billing for the treatment of the non-terminal condition is responsible for obtaining Medicaid prior authorization for any non-hospice services that are subject to prior authorization.** Prior authorization is not required for pharmacy services unrelated to the terminal condition, dental services, and vision services.

## Outpatient Physician Services

If a Medicaid hospice recipient requires outpatient physician services for conditions unrelated to the terminal condition, then he or she may

obtain services from a physician. The physician must obtain Medicaid prior authorization from the Health Care Excel (HCE) Prior Authorization Unit for services that are subject to prior authorization. The physician should then bill Medicaid directly for those independent physician services using a HCFA 1500 professional claim form.

A hospice provider's coordination responsibilities for treatment of a non-terminal condition are case-specific; however, the following guidelines should provide direction for hospice providers. If a hospice patient has no physician to treat a non-terminal condition, then the hospice provider should make arrangements to find a physician to treat the non-terminal condition. To ensure that the hospice recipient is not billed for those services, the hospice provider should make sure that the physician is enrolled as an Indiana Medicaid provider. Furthermore, the hospice provider's coordination responsibilities include advising the physician that an individual is a Medicaid hospice recipient to ensure that any treatment for a non-terminal condition does not compromise a patient's hospice care.

### ***Inpatient/Outpatient Hospital Admissions***

If a Medicaid hospice recipient requires an inpatient or outpatient admission to a hospital for conditions unrelated to a terminal illness, then the hospital should obtain Medicaid prior authorization from the HCE Prior Authorization Unit for any services that require prior authorization prior to billing. The hospital should then bill Medicaid directly for those services using a HCFA 1500 professional claim form.

A hospice provider's coordination responsibilities for treatment of a non-terminal condition are case-specific; however, the following guidelines should provide direction for hospice providers. If the hospice patient currently does not receive treatment for the non-terminal condition, then the hospice provider should make arrangements to find a hospital where the hospice patient may receive treatment for the non-terminal condition on an inpatient or outpatient basis, if necessary. To ensure that the hospice recipient is not billed for those hospital services, the hospice provider should make sure that the hospital physician, the hospital's other medical services, and the hospital are enrolled as Indiana Medicaid providers. Furthermore, the hospice provider should notify the medical personnel providing treatment for the non-terminal condition that the individual is under hospice care to ensure that any treatment for the non-terminal condition does not compromise the patient's hospice care.

If a hospice recipient is admitted to a hospital from his or her private home, the hospice provider must submit a Change In Hospice Patient Status form to the HCE Prior Authorization Unit that reflects the hospice recipient's change in normal residence from his or her private home to the hospital. The same form must be completed once the hospice patient is discharged from the hospital to either another institutional care setting or his or her private home.

***Reminder to Non-Hospice Providers That Medicaid is the Payer of Last Resort for Dually-Eligible Medicare/Medicaid Hospice Recipients***

Indiana Medicaid is always the payer of last resort, so non-hospice providers are reminded to first bill other payer sources before billing Indiana Medicaid.

Hospitals are specifically reminded that Medicare Advisory Hospital #97-03 specifies that non-hospice providers may bill Medicare directly by using condition code 07 when that non-hospice provider delivers Medicare covered services to treat the non-terminal condition of a Medicare hospice beneficiary. This policy also applies to dually-eligible Medicare/Medicaid hospice recipients since Medicaid is the payer of last resort. If hospital providers have further questions regarding the proper use of condition code 07 or a case-specific question involving a Medicare hospice beneficiary, then appropriate hospital staff should contact Palmetto, the Indiana Medicare Intermediary, by contacting Customer Service Part A at 1-803-736-4730.

Further inquiries regarding the Medicaid hospice benefit may be directed to the EDS Customer Assistance Unit at (317)-655-3240 within Marion and surrounding counties, or 1-800-577-1278.