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**To:           To All Indiana Health Coverage Programs-Enrolled Hospice and Nursing Facility Providers**

**Subject:   Notification of Systems Issues Regarding Incorrect Payments to Hospice Providers for Room and Board Payments on Member's Date of Death**

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## Overview

The Indiana Health Coverage Programs (IHCP) does not pay a nursing facility a *per diem* rate for the date a nursing facility discharges a resident from the facility or for the date of death of a nursing facility resident. When a nursing facility resident elects the IHCP hospice benefit, the same reimbursement practice must apply for the payment of hospice room and board services to a contracted nursing facility. Recent research of hospice claims payment history reveals that IndianaAIM is currently set to pay the nursing facility room and board for the date of death of a hospice member residing in a nursing facility.

The purpose of this bulletin is to notify nursing facility and hospice providers of the following issues:

- A specific systems issue has been identified.
- EDS will take certain steps to recoup overpayments during the first quarter of calendar year 2001. This recoupment will reimburse the IHCP for overpayments occurring since July 1, 1999.
- Effective date and procedures are required of hospice providers to complete adjustment forms for any future overpayments for date of death of a hospice member residing in a nursing facility.

## Notification of Systems Issue

Currently, when a hospice provider bills the IHCP for nursing facility room and board services for the date of death of a hospice member

residing in a nursing facility, IndianaAIM pays the hospice provider for the room and board services for the date of death regardless of whether the hospice provider bills the IHCP using hospice revenue codes 653, 654, or 659.

Hospice providers can avoid overpayment for dually-eligible Medicare/IHCP hospice members by simply not billing the IHCP using hospice revenue code 659 for the date of death. Dually-eligible hospice members residing in nursing facilities constitute 75 percent of the enrollees in the IHCP hospice benefit.

Payment of the nursing facility room and board services is an *add-on* to the hospice *per diem* when a hospice provider bills the IHCP using nursing facility room and board services. Hence, a hospice provider must complete an *EDS Claims Adjustment Form* requesting that EDS take back only the room and board portion that is overpaid when billing hospice revenue codes 653 or 654.

In the future, nursing facility providers are reminded to return any erroneous payments for hospice room and board services to the hospice provider. Failure to do so constitutes noncompliance with current nursing facility covered services rule and could be perceived by the Office of Inspector General (OIG) as fraud or a kickback.

### **Recoupment Procedures by EDS Claims Adjustment Unit**

The EDS Claims Adjustment Unit will handle the recoupment process for these types of overpayments with dates of service July 1, 1999, through **December 31, 2000**. Recoupment will take place during the first quarter of calendar year 2001.

Recoupment will be handled in the following manner:

- The Office of Medicaid Policy and Planning (OMPP) will notify the hospice provider of the anticipated date of the recoupment. This amount will be deducted from future payments. The hospice provider will receive a list that specifies the name, recipient identification number (RID), date of service for which the IHCP will recoup dollars, and the name of a contact person at the OMPP.
- The IHCP will recoup IHCP payment for nursing facility room and board services directly from the hospice provider. Recoupment will be reflected in the hospice provider's remittance advice.
- The hospice provider may then request repayment from the contracted nursing facility.

Hospice providers have asked the OMPP if the recoupment could be handled simply by making a payment adjustment to the nursing facility payment. Federal law requires that the OMPP reimburse the hospice provider for the nursing facility room and board services and that the hospice provider pay the nursing facility according to their contract. Therefore, claims must be adjusted through this process to ensure compliance with federal regulations and to accurately reflect the hospice provider's fiscal expenditures.

### **Effective Date For Hospice Providers to Complete Adjustments**

Hospice providers will be required to complete their own adjustment forms for any future overpayments regarding this matter beginning **December 31, 2000**.

The OMPP has met with members of the EDS Claims Adjustment Unit to develop instructions for hospice providers to use when completing an *EDS Claims Adjustment Form*.

An IHCP-enrolled provider that is dissatisfied with the amount of reimbursement may appeal under the provisions of *405 IAC 1-1.5-2*. However, prior to filing such an appeal, the provider must seek administrative review or reconsideration pursuant to *405 IAC 1-1-3(a)(3)*. A request for administrative review may be made in writing to the following address:

**Katherine Humphreys**  
**Secretary, Family and Social Services Administration**  
**In care of: Michelle Stein-Ordóñez, MS07, OMPP LTC**  
**Reimbursement Unit**  
**402 West Washington Street, Room W382, MS07**  
**Indianapolis, IN 46204**

As previously mentioned, hospice providers can avoid overpayments when billing hospice revenue code 659 by simply not billing for the date of death for a dually-eligible Medicare/IHCP hospice member residing in a nursing facility. If the hospice provider inadvertently bills the IHCP, then the hospice provider must return those funds to the IHCP by completing an *EDS Claims Adjustment Form* as follows:

- Obtain the proper *EDS Claims Adjustment Form* for a UB-92 and *Inpatient/Outpatient Crossover Adjustment Request*. **Do not use the sample form in the IHCP Provider Manual because it is missing the required bar code for processing.** To obtain an adjustment form, write to EDS Forms Request, P.O. Box 7263, Indianapolis, IN 46207-7263 or call EDS Customer Assistance at (317) 655-3240 in the Indianapolis local area or 1-800-577-1278.

- Complete the adjustment form as outlined in Chapter 11 of the *IHCP Provider Manual* except for the following information required specifically for this type of adjustment:
  - (2) *Reason for Adjustment*: Check block that specifies **Change Information as indicated in blocks 13-16.**
  - (9) *Type of Adjustment*: Check block that specifies **Overpayment (Deduct from future payments).**
  - (10) *Claim Type*: Check **Home Health.**
  - (11) *Program*: Check **Medicaid.**
  - (12) *Give Complete Explanation of Adjustment or Refund Request*: Please enter the following statement: **Dually-eligible Medicare/IHCP hospice member resides in a nursing facility. Hospice billed and was paid for hospice member's date of death. The room and board *per diem* should not be paid for date of death of an IHCP hospice member. Please take back all payment for the date of death (list date) as paid by hospice revenue code 659.**
  - (13) *Rev/Proc Code*: Enter the number of the line for the data that is to be adjusted.
  - (14) *Description*: Enter a brief description of the data that is to be corrected on the claim by specifying, **Please refer to box 12.**
  - (15) *Current Information*: Specify room and board *per diem* that the IHCP paid your hospice agency. This is noted in the remittance advice.
  - (16) *Corrected Information*: No information required.

For IHCP-only hospice members residing in nursing facilities, the *EDS Claims Adjustment Form* must be completed differently since the room and board *per diem* is an *add-on* to the hospice *per diem* and the hospice provider only wants EDS to recoup the room and board overpayment. The *EDS Claims Adjustment Form* must be completed as follows:

- Obtain the proper *EDS Claims Adjustment Form* for a UB-92 and *Inpatient/Outpatient Crossover Adjustment Request*. **Do not use the sample form in the *IHCP Provider Manual* because it is missing the required bar code for processing.** To obtain an adjustment form, write to EDS Forms Request, P.O. Box 7263, Indianapolis, IN 46207-7263 or call EDS Customer Assistance at (317) 655-3240 in the Indianapolis local area or 1-800-577-1278.
- Complete the adjustment form as outlined in Chapter 11 of the *IHCP Provider Manual* except for the following information required specifically for this type of adjustment:
  - (2) *Reason for Adjustment*: Check block that specifies **Change Information as indicated in blocks 13-16.**

- (9) *Type of Adjustment*: Check block that specifies **Overpayment (Deduct from future payments)**.
- (10) *Claim Type*: Check **Home Health**.
- (11) *Program*: Check **Medicaid**.
- (12) *Give Complete Explanation of Adjustment or Refund Request*: Please enter the following statement: **IndianaAIM currently pays for room and board "add-on" for an IHCP-only hospice member residing in a nursing facility when a hospice provider bills hospice revenue codes 653 or 654. Please take back room and board *per diem* for hospice member's date of death (list date of death). The hospice *per diem* should not be adjusted.**
- (13) *Rev/Proc Code*: Enter the number of the line for the data that is to be adjusted.
- (14) *Description*: Enter a brief description of the data that is to be corrected on the claim by specifying, **Please refer to box 12.**
- (15) *Current Information*: Specify room and board *per diem* that the IHCP paid the hospice agency. This is noted in the remittance advice.
- (16) *Corrected Information*: Note the dollar amount of the hospice *per diem* that should be the remaining balance. This should also be noted on the remittance advice.

Further inquiries regarding the IHCP hospice benefit may be directed to the EDS Customer Assistance Unit at (317) 655-3240 in the Indianapolis local area or 1-800-577-1276.