



P R O V I D E R B U L L E T I N

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To: All Indiana Health Coverage Programs Hospice Providers

Subject: Revised Indiana Health Coverage Programs Hospice Rates Effective April 1, 2001

Overview

Effective October 1 of each year, the Health Care Financing Administration (HCFA) establishes and releases new hospice rates to state Medicaid agencies for Medicaid-enrolled hospice providers. The Medicaid hospice rates are calculated based on the annual hospice rates established under the Medicare program. The Medicare hospice rates are authorized by section 1814(i)(1)(C)(ii) of the Social Security Act (the Act) that also provides for an annual increase in payment rates for hospice care services. Hospice physician services are not increased under this provision. The hospice rates effective October 1, 2000, were released to all Medicaid-enrolled hospice providers through provider bulletin *BT200102*.

Section 1814(i)(1)(C)(ii) of the Act as amended by section 321 of the Benefits Improvement and Protection Act (BIPA) of 2000, increases the Medicare hospice rates for federal fiscal year 2001. The amendment provides for a five percent increase, effective on or after April 1, 2001. This increase in the Medicare hospice rates required the Indiana Health Coverage Programs (IHCP) to recalculate IHCP hospice rates for IHCP hospice providers furnishing hospice services beginning on or after April 1, 2001, through September 30, 2001.

This bulletin provides the following information about the revised IHCP hospice rates:

- A brief explanation of the information used by Myers and Stauffer, LC, the IHCP's long-term care rate-setting contractor, to establish the revised IHCP hospice rates

- A brief summary of how EDS, the IHCP's fiscal agent contractor, updated *IndianaAIM*
- A summary of the system to reflect new hospice rates and determine if mass claims adjustments will be required.
- A table that reflects the new IHCP hospice rates, effective April 1, 2001, as prepared by Myers and Stauffer, LC.

Method of Calculation of revised IHCP Hospice Rates

Reimbursement for the IHCP hospice benefit follows the methodology and level established by HCFA for administration of the federal Medicare program. Therefore, the IHCP hospice rates, are based on Medicare reimbursement rates and methodology, adjusted to disregard offsets attributable to Medicare premium amounts. The rates are adjusted for regional difference in wages using indices published by HCFA.

The total per diem amounts reimbursed to an IHCP-enrolled hospice provider are calculated according to the IHCP member's hospice location of care. Hospice providers are then reimbursed at one of the hospice levels of care. A member's hospice level of care is one of the following:

- Routine home hospice care delivered in the private home (IHCP hospice per diem only)
- Routine home hospice care delivered in a nursing facility (IHCP hospice per diem plus room and board per diem)
- Continuous home hospice care delivered in a private home (IHCP hospice per diem only)
- Continuous home hospice care delivered in a nursing facility (IHCP hospice per diem plus room and board per diem)
- Inpatient hospice care for private home members or nursing facility member (IHCP per diem only) – no additional room and board per diem is added for this service.
- Inpatient respite care for private home members (IHCP per diem only), no additional room and board per diem is added for this service.

Section 321 of the Benefits Improvement and Protection Act (BIPA) of 2000 amended section 1814(i)(1)(C)(ii) of the Act, increasing the Medicare hospice rates for federal fiscal year 2001 by providing for a five percent increase, effective on or after April 1, 2001. This increase

to the Medicare hospice rates required the IHCP to direct Myers and Stauffer, LC to recalculate IHCP hospice rates for IHCP hospice providers furnishing hospice services beginning on or after April 1, 2001, through September 30, 2001.

Payment of IHCP Hospice Claims at Hospice Rates Effective April 1, 2001

EDS loaded the new hospice rates into IndianaAIM on March 28, 2001. The new rates are reflected in Table 1.1.

Because the hospice rates were loaded into IndianaAIM prior to April 1, 2001, mass claims adjustment will not be necessary.

Further inquiries about the IHCP hospice benefit should be directed to the EDS Customer Assistance Unit at (317) 655-3240 in the Indianapolis local area or 1-800-577-1278.

Note: All rates listed in Table 1.1 are in dollars

Table 1.1 – Hospice Wage Adjusted Rates Effective April 1, 2001

County Name	County Code	Wage Index	Routine Home Care	Continuous Home Care Full Rate 24 Hours	Continuous Home Care Hourly Rate	Inpatient Respite Care	General Inpatient Care
Bloomington							
Monroe	53	0.9155	100.85	588.12	24.50	111.11	449.96
Cincinnati							
Dearborn	15	1.0035	107.33	625.87	26.08	116.66	476.76
Ohio	58	1.0035	107.33	625.87	26.08	116.66	476.76
Elkhart-Goshen							
Elkhart	20	0.9994	107.03	624.11	26.00	116.40	475.51
Evansville							
Posey	65	0.8847	98.59	574.91	23.95	109.17	440.58
Vanderburgh	82	0.8847	98.59	574.91	23.95	109.17	440.58
Warrick	87	0.8847	98.59	574.91	23.95	109.17	440.58
Fort Wayne							
Adams	1	0.9692	104.80	611.16	25.46	114.50	466.31
Allen	2	0.9692	104.80	611.16	25.46	114.50	466.31
De Kalb	17	0.9692	104.80	611.16	25.46	114.50	466.31

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County Name	County Code	Wage Index	Routine Home Care	Continuous Home Care Full Rate 24 Hours	Continuous Home Care Hourly Rate	Inpatient Respite Care	General Inpatient Care
Huntington	35	0.9692	104.80	611.16	25.46	114.50	466.31
Wells	90	0.9692	104.80	611.16	25.46	114.50	466.31
Whitley	92	0.9692	104.80	611.16	25.46	114.50	466.31
Gary							
Lake	45	1.0005	107.11	624.58	26.02	116.47	475.84
Porter	64	1.0005	107.11	624.58	26.02	116.47	475.84
Indianapolis							
Boone	6	1.0434	110.26	642.99	26.79	119.18	488.90
Hamilton	29	1.0434	110.26	642.99	26.79	119.18	488.90
Hancock	30	1.0434	110.26	642.99	26.79	119.18	488.90
Hendricks	32	1.0434	110.26	642.99	26.79	119.18	488.90
Johnson	41	1.0434	110.26	642.99	26.79	119.18	488.90
Madison	48	1.0434	110.26	642.99	26.79	119.18	488.90
Marion	49	1.0434	110.26	642.99	26.79	119.18	488.90
Morgan	55	1.0434	110.26	642.99	26.79	119.18	488.90
Shelby	73	1.0434	110.26	642.99	26.79	119.18	488.90
Kokomo							
Howard	34	0.9503	103.41	603.05	25.13	113.31	460.56
Tipton	80	0.9503	103.41	603.05	25.13	113.31	460.56
Lafayette							
Clinton	12	0.9386	102.55	598.03	24.92	112.57	456.99
Tippecanoe	79	0.9386	102.55	598.03	24.92	112.57	456.99
Louisville							
Clark	10	0.9996	107.04	624.20	26.01	116.41	475.57
Floyd	22	0.9996	107.04	624.20	26.01	116.41	475.57
Harrison	31	0.9996	107.04	624.20	26.01	116.41	475.57
Scott	72	0.9996	107.04	624.20	26.01	116.41	475.57
Muncie							
Delaware	18	1.1544	118.43	690.61	28.78	126.17	522.70
South Bend							
St. Joseph	71	1.0435	110.27	643.03	26.79	119.18	488.94

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County Name	County Code	Wage Index	Routine Home Care	Continuous Home Care Full Rate 24 Hours	Continuous Home Care Hourly Rate	Inpatient Respite Care	General Inpatient Care
Terre Haute							
Clay	11	0.9132	100.68	587.13	24.46	110.97	449.26
Vermillion	83	0.9132	100.68	587.13	24.46	110.97	449.26
Vigo	84	0.9132	100.68	587.13	24.46	110.97	449.26
Non-urban Areas							
Bartholomew	3	0.8946	99.32	579.15	24.13	109.80	443.60
Benton	4	0.8946	99.32	579.15	24.13	109.80	443.60
Blackford	5	0.8946	99.32	579.15	24.13	109.80	443.60
Brown	7	0.8946	99.32	579.15	24.13	109.80	443.60
Carroll	8	0.8946	99.32	579.15	24.13	109.80	443.60
Cass	9	0.8946	99.32	579.15	24.13	109.80	443.60
Crawford	13	0.8946	99.32	579.15	24.13	109.80	443.60
Daviess	14	0.8946	99.32	579.15	24.13	109.80	443.60
Decatur	16	0.8946	99.32	579.15	24.13	109.80	443.60
Dubois	19	0.8946	99.32	579.15	24.13	109.80	443.60
Fayette	21	0.8946	99.32	579.15	24.13	109.80	443.60
Fountain	23	0.8946	99.32	579.15	24.13	109.80	443.60
Franklin	24	0.8946	99.32	579.15	24.13	109.80	443.60
Fulton	25	0.8946	99.32	579.15	24.13	109.80	443.60
Gibson	26	0.8946	99.32	579.15	24.13	109.80	443.60
Grant	27	0.8946	99.32	579.15	24.13	109.80	443.60
Greene	28	0.8946	99.32	579.15	24.13	109.80	443.60
Henry	33	0.8946	99.32	579.15	24.13	109.80	443.60
Jackson	36	0.8946	99.32	579.15	24.13	109.80	443.60
Jasper	37	0.8946	99.32	579.15	24.13	109.80	443.60
Jay	38	0.8946	99.32	579.15	24.13	109.80	443.60
Jefferson	39	0.8946	99.32	579.15	24.13	109.80	443.60
Jennings	40	0.8946	99.32	579.15	24.13	109.80	443.60
Knox	42	0.8946	99.32	579.15	24.13	109.80	443.60
Kosciusko	43	0.8946	99.32	579.15	24.13	109.80	443.60
La Grange	44	0.8946	99.32	579.15	24.13	109.80	443.60

(Continued)

Table 1.1 – Hospice Wage Adjusted Rates Effective April 1, 2001

County Name	County Code	Wage Index	Routine Home Care	Continuous Home Care Full Rate 24 Hours	Continuous Home Care Hourly Rate	Inpatient Respite Care	General Inpatient Care
La Porte	46	0.8946	99.32	579.15	24.13	109.80	443.60
Lawrence	47	0.8946	99.32	579.15	24.13	109.80	443.60
Marshall	50	0.8946	99.32	579.15	24.13	109.80	443.60
Martin	51	0.8946	99.32	579.15	24.13	109.80	443.60
Miami	52	0.8946	99.32	579.15	24.13	109.80	443.60
Montgomery	54	0.8946	99.32	579.15	24.13	109.80	443.60
Newton	56	0.8946	99.32	579.15	24.13	109.80	443.60
Noble	57	0.8946	99.32	579.15	24.13	109.80	443.60
Orange	59	0.8946	99.32	579.15	24.13	109.80	443.60
Owen	60	0.8946	99.32	579.15	24.13	109.80	443.60
Parke	61	0.8946	99.32	579.15	24.13	109.80	443.60
Perry	62	0.8946	99.32	579.15	24.13	109.80	443.60
Pike	63	0.8946	99.32	579.15	24.13	109.80	443.60
Pulaski	66	0.8946	99.32	579.15	24.13	109.80	443.60
Putnam	67	0.8946	99.32	579.15	24.13	109.80	443.60
Randolph	68	0.8946	99.32	579.15	24.13	109.80	443.60
Ripley	69	0.8946	99.32	579.15	24.13	109.80	443.60
Rush	70	0.8946	99.32	579.15	24.13	109.80	443.60
Spencer	74	0.8946	99.32	579.15	24.13	109.80	443.60
Starke	75	0.8946	99.32	579.15	24.13	109.80	443.60
Steuben	76	0.8946	99.32	579.15	24.13	109.80	443.60
Sullivan	77	0.8946	99.32	579.15	24.13	109.80	443.60
Switzerland	78	0.8946	99.32	579.15	24.13	109.80	443.60
Union	81	0.8946	99.32	579.15	24.13	109.80	443.60
Wabash	85	0.8946	99.32	579.15	24.13	109.80	443.60
Warren	86	0.8946	99.32	579.15	24.13	109.80	443.60
Washington	88	0.8946	99.32	579.15	24.13	109.80	443.60
Wayne	89	0.8946	99.32	579.15	24.13	109.80	443.60
White	91	0.8946	99.32	579.15	24.13	109.80	443.60