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**To: All Hospice Providers**

**Subject: Hospice Rates Effective October 1, 2002**

## Overview

Effective October 1 of each year, the Centers for Medicare & Medicaid Services (CMS) establishes and releases new hospice rates to state Medicaid agencies for Medicaid-enrolled hospice providers.

This bulletin provides the following information about the new Indiana Health Coverage programs (IHCP) hospice rates:

- A brief explanation of the method of calculation used by Myers and Stauffer, LC, the IHCP long-term care rate-setting contractor, to establish the IHCP hospice rates.
- A brief summary of how EDS, the IHCP fiscal agent contractor, updated IndianaAIM to reflect the new hospice rates, and the date that mass claim adjustments were completed.
- A table that lists the new IHCP hospice rates, effective October 1, 2002, as prepared by Myers and Stauffer, LC.

## Method of Calculation

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

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 reimbursed at one of the hospice levels of care. A member's hospice level of care is one of the following:

- Routine home hospice level of care delivered in the private home (IHCP hospice per diem only)
- Routine home hospice level of care delivered in the nursing home (IHCP hospice per diem plus room and board per diem)
- Continuous home hospice level of care delivered in the private home (IHCP hospice per diem only)
- Continuous home hospice level of care delivered in the nursing home (IHCP hospice per diem plus room and board per diem)

- Inpatient respite care for private home members or nursing facility members (IHCP hospice per diem only). No additional room and board per diem is added for this service.
- General inpatient hospice care for private home members or nursing facility members (IHCP hospice per diem only). No additional room and board per diem is added for this service.

## Payment of Hospice Claims

The new hospice rates were placed in IndianaAIM on October 16, 2002. The new rates are listed in Table 1.

Because the hospice rates were placed in IndianaAIM on October 16, 2002, mass claims adjustments are scheduled for November 13, 2002.

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

Table 1 - Hospice Wage Adjusted Rates (in dollars) Effective October 1, 2002

Urban Area and 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
<b>Bloomington</b>							
Monroe	53	0.9403	109.66	639.43	26.64	120.33	488.60
<b>Cincinnati</b>							
Dearborn	15	1.0074	114.93	670.17	27.92	124.85	510.42
Ohio	58	1.0074	114.93	670.17	27.92	124.85	510.42
<b>Elkhart-Goshen</b>							
Elkhart	20	1.0249	116.31	678.19	28.26	126.03	516.11
<b>Evansville</b>							
Posey	65	0.9054	106.92	623.44	25.98	117.98	477.25
Vanderburgh	82	0.9054	106.92	623.44	25.98	117.98	477.25
Warrick	87	0.9054	106.92	623.44	25.98	117.98	477.25
<b>Fort Wayne</b>							
Adams	1	0.9787	112.68	657.02	27.38	122.92	501.08
Allen	2	0.9787	112.68	657.02	27.38	122.92	501.08
DeKalb	17	0.9787	112.68	657.02	27.38	122.92	501.08
Huntington	35	0.9787	112.68	657.02	27.38	122.92	501.08
Wells	90	0.9787	112.68	657.02	27.38	122.92	501.08
Whitley	92	0.9787	112.68	657.02	27.38	122.92	501.08

(Continued)

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Urban Area and 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
<b>Gary</b>							
Lake	45	1.0134	115.40	672.92	28.04	125.25	512.37
Porter	64	1.0134	115.40	672.92	28.04	125.25	512.37
<b>Indianapolis</b>							
Boone	6	1.0313	116.81	681.12	28.38	126.46	518.19
Hamilton	29	1.0313	116.81	681.12	28.38	126.46	518.19
Hancock	30	1.0313	116.81	681.12	28.38	126.46	518.19
Hendricks	32	1.0313	116.81	681.12	28.38	126.46	518.19
Johnson	41	1.0313	116.81	681.12	28.38	126.46	518.19
Madison	48	1.0313	116.81	681.12	28.38	126.46	518.19
Marion	49	1.0313	116.81	681.12	28.38	126.46	518.19
Morgan	55	1.0313	116.81	681.12	28.38	126.46	518.19
Shelby	73	1.0313	116.81	681.12	28.38	126.46	518.19
<b>Kokomo</b>							
Howard	34	0.9705	112.03	653.26	27.22	122.36	498.42
Tipton	80	0.9705	112.03	653.26	27.22	122.36	498.42
<b>Lafayette</b>							
Clinton	12	0.97	111.99	653.04	27.21	122.33	498.25
Tippecanoe	79	0.97	111.99	653.04	27.21	122.33	498.25
<b>Louisville</b>							
Clark	10	1.0133	115.39	672.87	28.04	125.25	512.33
Floyd	22	1.0133	115.39	672.87	28.04	125.25	512.33
Harrison	31	1.0133	115.39	672.87	28.04	125.25	512.33
Scott	72	1.0133	115.39	672.87	28.04	125.25	512.33
<b>Muncie</b>							
Delaware	18	1.0569	118.82	692.85	28.87	128.18	526.51
<b>South Bend</b>							
St. Joseph	71	1.0627	119.28	695.51	28.98	128.57	528.40
<b>Terre Haute</b>							
Clay	11	0.9073	107.07	624.31	26.01	118.11	477.87
Vermillion	83	0.9073	107.07	624.31	26.01	118.11	477.87

(Continued)

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Vigo	84	0.9073	107.07	624.31	26.01	118.11	477.87
<b>Non-urban Areas</b>							
Bartholomew	3	0.9274	108.65	633.52	26.40	119.46	484.40
Benton	4	0.9274	108.65	633.52	26.40	119.46	484.40
Blackford	5	0.9274	108.65	633.52	26.40	119.46	484.40
Brown	7	0.9274	108.65	633.52	26.40	119.46	484.40
Carroll	8	0.9274	108.65	633.52	26.40	119.46	484.40
Cass	9	0.9274	108.65	633.52	26.40	119.46	484.40
Crawford	13	0.9274	108.65	633.52	26.40	119.46	484.40
Daviess	14	0.9274	108.65	633.52	26.40	119.46	484.40
Decatur	16	0.9274	108.65	633.52	26.40	119.46	484.40
Dubois	19	0.9274	108.65	633.52	26.40	119.46	484.40
Fayette	21	0.9274	108.65	633.52	26.40	119.46	484.40
Fountain	23	0.9274	108.65	633.52	26.40	119.46	484.40
Franklin	24	0.9274	108.65	633.52	26.40	119.46	484.40
Fulton	25	0.9274	108.65	633.52	26.40	119.46	484.40
Gibson	26	0.9274	108.65	633.52	26.40	119.46	484.40
Grant	27	0.9274	108.65	633.52	26.40	119.46	484.40
Greene	28	0.9274	108.65	633.52	26.40	119.46	484.40
Henry	33	0.9274	108.65	633.52	26.40	119.46	484.40
Jackson	36	0.9274	108.65	633.52	26.40	119.46	484.40
Jasper	37	0.9274	108.65	633.52	26.40	119.46	484.40
Jay	38	0.9274	108.65	633.52	26.40	119.46	484.40
Jefferson	39	0.9274	108.65	633.52	26.40	119.46	484.40
Jennings	40	0.9274	108.65	633.52	26.40	119.46	484.40
Knox	42	0.9274	108.65	633.52	26.40	119.46	484.40
Kosciusko	43	0.9274	108.65	633.52	26.40	119.46	484.40
Lagrange	44	0.9274	108.65	633.52	26.40	119.46	484.40
La Porte	46	0.9274	108.65	633.52	26.40	119.46	484.40
Lawrence	47	0.9274	108.65	633.52	26.40	119.46	484.40
Marshall	50	0.9274	108.65	633.52	26.40	119.46	484.40

(Continued)

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Martin	51	0.9274	108.65	633.52	26.40	119.46	484.40
Miami	52	0.9274	108.65	633.52	26.40	119.46	484.40
Montgomery	54	0.9274	108.65	633.52	26.40	119.46	484.40
Newton	56	0.9274	108.65	633.52	26.40	119.46	484.40
Noble	57	0.9274	108.65	633.52	26.40	119.46	484.40
Orange	59	0.9274	108.65	633.52	26.40	119.46	484.40
Owen	60	0.9274	108.65	633.52	26.40	119.46	484.40
Parke	61	0.9274	108.65	633.52	26.40	119.46	484.40
Perry	62	0.9274	108.65	633.52	26.40	119.46	484.40
Pike	63	0.9274	108.65	633.52	26.40	119.46	484.40
Pulaski	66	0.9274	108.65	633.52	26.40	119.46	484.40
Putnam	67	0.9274	108.65	633.52	26.40	119.46	484.40
Randolph	68	0.9274	108.65	633.52	26.40	119.46	484.40
Ripley	69	0.9274	108.65	633.52	26.40	119.46	484.40
Rush	70	0.9274	108.65	633.52	26.40	119.46	484.40
Spencer	74	0.9274	108.65	633.52	26.40	119.46	484.40
Starke	75	0.9274	108.65	633.52	26.40	119.46	484.40
Steuben	76	0.9274	108.65	633.52	26.40	119.46	484.40
Sullivan	77	0.9274	108.65	633.52	26.40	119.46	484.40
Switzerland	78	0.9274	108.65	633.52	26.40	119.46	484.40
Union	81	0.9274	108.65	633.52	26.40	119.46	484.40
Wabash	85	0.9274	108.65	633.52	26.40	119.46	484.40
Warren	86	0.9274	108.65	633.52	26.40	119.46	484.40
Washington	88	0.9274	108.65	633.52	26.40	119.46	484.40
Wayne	89	0.9274	108.65	633.52	26.40	119.46	484.40
White	91	0.9274	108.65	633.52	26.40	119.46	484.40

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