

# IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS    BT2020107    SEPTEMBER 29, 2020

## CMS releases new federal hospice rates for fiscal year 2021

The Centers for Medicare & Medicaid Services (CMS) released new federal hospice rates for federal fiscal year 2021 (FFY 2021), effective for dates of service (DOS) from October 1, 2020, through September 30, 2021. 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 (NF) 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 NF 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 NF. 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 NF, as well as the SIA in the NF, are adjusted using the wage index of the city or county where the hospice facility is located.

Starting FFY 2021, the hospice wage index incorporates the new Office of Management and Budget (OMB) labor market delineations as described in the September 14, 2018, [OMB Bulletin No. 18-04](#). These new delineations have resulted in new Core-Based Statistical Areas (CBSAs), urban counties that have become rural, rural counties that have become urban, and existing CBSAs that have been split apart. These changes were implemented to allow the hospice wage index to maintain an accurate and up-to-date payment system that reflects the reality of population shifts and labor market conditions. In addition to the changes in the wage index



delineations, there is also a 1-year, 5 percent cap on wage index decreases for impacted counties for FFY 2021. This transition period and cap will allow the effects of the revised CBSA delineations to be phased in over 2 years. No cap will be applied to the reduction in the wage index for the second year (FFY 2022).

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 non-reporting. 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 2021.

### **Federal per diem rates for hospice claims**

The Medicaid hospice payment rates for care and services provided from October 1, 2020, through September 30, 2021, are reflected in the following tables:

- [Table 1](#) – *Federal per diem rates for routine home care, continuous home care, inpatient respite care, and general inpatient care, effective from October 1, 2020, through September 30, 2021*
- [Table 2](#) – *Federal rates for SIA payments made in conjunction with routine home care, effective from October 1, 2020, through September 30, 2021*
- [Table 3](#) – *IHCP wage-adjusted rates for hospice benefits, effective for DOS from October 1, 2020, through September 30, 2021*

*Note: 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 in 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 the claim-processing system with the new hospice rates by November 1, 2020, 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 from October 1, 2020, through September 30, 2021*

Level of service	Daily rate	Component subject to wage index	Unweighted component
Routine home care (days 1-60)	\$199.51	\$137.08	\$62.43
Routine home care (days 61+)	\$157.69	\$108.35	\$49.34
Continuous home care	\$1,432.97	\$984.59	\$448.38
Inpatient respite care	\$485.36	\$262.72	\$222.64
General inpatient care	\$1,045.66	\$669.33	\$376.33

*Table 2 – Federal rates for service intensity add-on payments made in conjunction with routine home care, effective from October 1, 2020, through September 30, 2021*

Level of service	Daily rate	Component subject to wage index	Unweighted component
Service intensity add-on	\$59.71	\$41.02	\$18.69

*Table 3 – IHCP wage-adjusted rates for hospice benefits, effective for DOS from October 1, 2020, through September 30, 2021*

County name	County code	Wage index <sup>1</sup>	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 <sup>2</sup>	Inpatient respite care	General inpatient care
<b>Urban Areas</b>									
<b>Bloomington:</b>									
Monroe	53	0.9302	189.94	150.13	56.85	1,364.25	56.84	467.02	998.94
Owen	60	0.9302	189.94	150.13	56.85	1,364.25	56.84	467.02	998.94
<b>Cincinnati:</b>									
Dearborn	15	0.9461	192.12	151.85	57.50	1,379.90	57.50	471.20	1,009.58
Franklin	24	0.9461	192.12	151.85	57.50	1,379.90	57.50	471.20	1,009.58
Ohio	58	0.9461	192.12	151.85	57.50	1,379.90	57.50	471.20	1,009.58
Union	81	0.9461	192.12	151.85	57.50	1,379.90	57.50	471.20	1,009.58
<b>Columbus:</b>									
Bartholomew	3	1.0027	199.88	157.98	59.82	1,435.63	59.82	486.07	1,047.47
<b>Elkhart/ Goshen:</b>									
Elkhart	20	0.9759	196.21	155.08	58.72	1,409.24	58.72	479.03	1,029.53
<b>Evansville:</b>									
Posey	65	0.9256	189.31	149.63	56.66	1,359.72	56.65	465.81	995.86
Vanderburgh	82	0.9256	189.31	149.63	56.66	1,359.72	56.65	465.81	995.86
Warrick	87	0.9256	189.31	149.63	56.66	1,359.72	56.65	465.81	995.86
<b>Fort Wayne:</b>									
Allen	2	0.9172	188.16	148.72	56.31	1,351.45	56.31	463.61	990.24
Whitley	92	0.9172	188.16	148.72	56.31	1,351.45	56.31	463.61	990.24

Table 3 – IHCP wage-adjusted rates for hospice benefits,  
effective for DOS from October 1, 2020, through September 30, 2021 (Continued)

County name	County code	Wage index <sup>1</sup>	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 <sup>2</sup>	Inpatient respite care	General inpatient care
<b>Urban Areas</b>									
<b>Gary:</b>									
Jasper	37	0.9158	187.97	148.57	56.26	1,350.07	56.25	463.24	989.30
Lake	45	0.9158	187.97	148.57	56.26	1,350.07	56.25	463.24	989.30
Newton	56	0.9158	187.97	148.57	56.26	1,350.07	56.25	463.24	989.30
Porter	64	0.9158	187.97	148.57	56.26	1,350.07	56.25	463.24	989.30
<b>Indianapolis/ Carmel/ Anderson:</b>									
Boone	6	0.9954	198.88	157.19	59.52	1,428.44	59.52	484.15	1,042.58
Brown	7	0.9954	198.88	157.19	59.52	1,428.44	59.52	484.15	1,042.58
Hamilton	29	0.9954	198.88	157.19	59.52	1,428.44	59.52	484.15	1,042.58
Hancock	30	0.9954	198.88	157.19	59.52	1,428.44	59.52	484.15	1,042.58
Hendricks	32	0.9954	198.88	157.19	59.52	1,428.44	59.52	484.15	1,042.58
Johnson	41	0.9954	198.88	157.19	59.52	1,428.44	59.52	484.15	1,042.58
Madison	48	0.9954	198.88	157.19	59.52	1,428.44	59.52	484.15	1,042.58
Marion	49	0.9954	198.88	157.19	59.52	1,428.44	59.52	484.15	1,042.58
Morgan	55	0.9954	198.88	157.19	59.52	1,428.44	59.52	484.15	1,042.58
Putnam	67	0.9954	198.88	157.19	59.52	1,428.44	59.52	484.15	1,042.58
Shelby	73	0.9954	198.88	157.19	59.52	1,428.44	59.52	484.15	1,042.58
<b>Kokomo:</b>									
Howard	34	0.9523	192.97	152.52	57.75	1,386.01	57.75	472.83	1,013.73
<b>Lafayette/ West Lafayette:</b>									
Benton	4	0.9830	197.18	155.85	59.01	1,416.23	59.01	480.89	1,034.28
Carroll	8	0.9830	197.18	155.85	59.01	1,416.23	59.01	480.89	1,034.28
Tippecanoe	79	0.9830	197.18	155.85	59.01	1,416.23	59.01	480.89	1,034.28
Warren	86	0.9830	197.18	155.85	59.01	1,416.23	59.01	480.89	1,034.28
<b>Louisville/ Jefferson County:</b>									
Clark	10	0.8697	181.65	143.57	54.37	1,304.68	54.36	451.13	958.45
Floyd	22	0.8697	181.65	143.57	54.37	1,304.68	54.36	451.13	958.45
Harrison	31	0.8697	181.65	143.57	54.37	1,304.68	54.36	451.13	958.45
Washington	88	0.8697	181.65	143.57	54.37	1,304.68	54.36	451.13	958.45
<b>Michigan City/La Porte:</b>									
La Porte	46	0.9284	189.70	149.93	56.77	1,362.47	56.77	466.55	997.74
<b>Muncie:</b>									
Delaware	18	0.9927	198.51	156.90	59.41	1,425.78	59.41	483.44	1,040.77
<b>South Bend/ Mishawaka:</b>									
St. Joseph	71	0.9675	195.05	154.17	58.38	1,400.97	58.37	476.82	1,023.91
<b>Terre Haute:</b>									
Clay	11	0.8949	185.10	146.30	55.40	1,329.49	55.40	457.75	975.31
Parke	61	0.8949	185.10	146.30	55.40	1,329.49	55.40	457.75	975.31
Sullivan	77	0.8949	185.10	146.30	55.40	1,329.49	55.40	457.75	975.31
Vermillion	83	0.8949	185.10	146.30	55.40	1,329.49	55.40	457.75	975.31
Vigo	84	0.8949	185.10	146.30	55.40	1,329.49	55.40	457.75	975.31

Table 3 – IHCP wage-adjusted rates for hospice benefits,  
effective for DOS from October 1, 2020, through September 30, 2021 (Continued)

County name	County code	Wage index <sup>1</sup>	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 <sup>2</sup>	Inpatient respite care	General inpatient care
<b>Nonurban Areas:</b>									
Adams	1	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Blackford	5	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Cass	9	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Clinton	12	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Crawford	13	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Daviess	14	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
De Kalb	17	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Decatur	16	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Dubois	19	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Fayette	21	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Fountain	23	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Fulton	25	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Gibson	26	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Grant	27	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Greene	28	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Henry	33	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Huntington	35	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Jackson	36	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Jay	38	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Jefferson	39	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Jennings	40	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Knox	42	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Kosciusko	43	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
LaGrange	44	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Lawrence	47	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Marshall	50	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Martin	51	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Miami	52	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Montgomery	54	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Noble	57	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Orange	59	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Perry	62	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Pike	63	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Pulaski	66	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Randolph	68	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Ripley	69	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Rush	70	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Scott	72	0.8402	177.60	140.38	53.16	1,275.63	53.15	443.38	938.70
Spencer	74	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Starke	75	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Steuben	76	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Switzerland	78	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Tipton	80	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Wabash	85	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Wayne	89	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
Wells	90	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49
White	91	0.8354	176.95	139.86	52.96	1,270.91	52.95	442.12	935.49

<sup>1</sup> The Hospice Wage Index was published in the Federal Register on August 20, 2020. States adjust the wage component of the daily hospice payment rates to reflect geographical differences in the wage levels.

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

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