



**News Flash** – Do you ever wonder about how to utilize search tools in selected areas of the CMS website? The searchable Medicare Coverage Database (MCD) contains all Medicare National Coverage Determinations (NCDs), National Coverage Analyses (NCAs), Local Coverage Determinations (LCDs), and local policy articles. The Medicare Learning Network (MLN) has produced a "How To" booklet (2.5 MB), that provides an explanation of the MCD, as well as how to use the Search, Indexes, Reports and Downloads features. The revised How to Use the Medicare Coverage Database booklet is available at <http://www.cms.gov/MLNProducts/MPUB/list.asp> on the MLN Publications page. Use search key words "how to" to locate this publication quickly. Understanding the search tool is the best way to find the information for which you are looking!

MLN Matters® Number: MM7077

Related Change Request (CR) #: 7077

Related CR Release Date: July 23, 2010

Effective Date: October 1, 2010

Related CR Transmittal #: R2004CP

Implementation Date: October 4, 2010

## Update to Hospice Payment Rates, Hospice Cap, Hospice Wage Index and the Hospice Pricer for Fiscal Year (FY) 2011

### Provider Types Affected

Hospice providers submitting claims to Medicare contractors (Fiscal Intermediaries (FIs), Part A/B Medicare Administrative Contractors (A/B MACs), and/or Regional Home Health Intermediaries (RHHIs) for services provided to Medicare beneficiaries need to be aware of this article.

### Provider Action Needed

The Centers for Medicare & Medicaid Services (CMS) issued Change Request (CR) 7077 which provides the annual update to the hospice payment rates for fiscal year FY 2011, the hospice aggregate cap amount for the cap period ending October 31, 2010, and the hospice wage index and Pricer for FY 2011. Be sure your billing staffs are aware of these changes, which are described in the Background section, below.

### Background

CMS updates the payment for hospice care, the hospice aggregate cap amount,

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and the hospice wage index annually. The Social Security Act (the Act) (Section 1814(i)(1)(C)(ii)) stipulates that the **payments for hospice care** for fiscal years after 2002 will increase by the market basket percentage increase for that fiscal year (FY), and this payment methodology is codified in the Code of Federal Regulations (refer to Title 42, Section 418.306 (a)&(b)).

### ***FY 2011 Hospice Payment Rates***

The FY 2011 payment rates will be the FY 2010 payment rates, increased by 2.6 percentage points, which is the total hospital market basket percentage increase forecasted for FY 2011. The FY 2011 hospice payment rates are shown in the following table and are effective for care and services furnished on or after October 1, 2010 through September 30, 2011.

Code	Description	Rate	Wage Component Subject to Index	Non-Weighted Amount
651	Routine Home Care	\$146.63	\$100.75	\$ 45.88
652	Continuous Home Care Full Rate = 24 hours of care \$35.66= hourly rate	\$855.79	\$588.01	\$267.78
655	Inpatient Respite Care	\$151.67	\$ 82.10	\$ 69.57
656	General Inpatient Care	\$652.27	\$417.52	\$234.75

Reference to the hospice payment rate is discussed further in the *Medicare Claims Processing Manual*, Chapter 11 (Processing Hospice Claims), Section 30.2 (Payment Rates); see <http://www.cms.hhs.gov/manuals/downloads/clm104c11.pdf> on the CMS website.

### ***Hospice Cap***

The latest hospice cap amount for the cap year ending October 31, 2010 is **\$23,874.98**. In computing the cap, CMS used the medical care expenditure category of the March 2010 Consumer Price Index for all Urban consumers, published by the Bureau of Labor Statistics, (see <http://www.bls.gov/cpi/home.htm> on the Internet), which was 387.142. The hospice cap is discussed further in the *Medicare Claims Processing Manual*, Chapter 11 (Processing Hospice Claims), Section 80.2 (Cap on Overall Hospice Reimbursement); see <http://www.cms.hhs.gov/manuals/downloads/clm104c11.pdf> on the CMS website).

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### *Hospice Wage Index*

The Hospice Wage Index notice with comment period will be effective October 1, 2010 and published in the **Federal Register** before that date. The revised wage index and payment rates will be incorporated in the hospice Pricer and forwarded to the intermediaries following publication of the wage index final rule.

### **Additional Information**

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You can find the official instruction, CR7077, issued to your FI, A/B MAC, or RHHI by visiting <http://www.cms.gov/Transmittals/downloads/R2004CP.pdf> on the CMS website.

If you have any questions, please contact your FI, MAC, or RHHI at their toll-free number, which may be found at <http://www.cms.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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