



Related MLN Matters Article #: MM3977

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*Medicare Program - Update to the Hospice Payment Rates, Hospice Cap, Hospice Wage Index, and the Hospice Pricer for FY 2006*

### Key Words

CR3977, MM3977, Hospice, Cap, Wage, Index, Pricer, FY 2006, CBSA

### Provider Types Affected

Medicare hospices

### Key Points

- The effective date of the instruction is October 1, 2005.
- Section 1814(i)(1)(C)(ii) of the Social Security Act stipulates that the payments for hospice care for fiscal years after 2002 will increase by the market basket percentage increase for the fiscal year (FY).
- The Hospice Payment Rates for FY 2006 increase by 3.7 percentage points over the FY 2005 rates.
- The national payment rates for revenue codes 651, 652, 655, and 656 for October 1, 2005, through September 30, 2006, are listed in the table on page 1 of MM3977.
- MM3977 may be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM3977.pdf> on the Centers for Medicare and Medicaid Services website.
- The latest hospice cap amount for the cap year ending October 31, 2005, is \$19,777.51.
- The Hospice Wage Index notice will be effective October 1, 2005, and will be published in the Federal Register before that date.
- Medicare will use Core Based Statistical Area (CBSA) codes for purposes of wage index adjustment of hospice claims.
- Providers should split claims if dates of service span separate fiscal years.

### Important Links

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM3977.pdf>

<http://www.cms.hhs.gov/transmittals/downloads/R663CP.pdf>