



## Update to the Hospice Payment Rates, Hospice Cap, Hospice Wage Index, and the Hospice Pricer for Fiscal Year (FY) 2010 – JA6606

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Date Job Aid Revised: August 26, 2009

Effective Date: October 1, 2009

Implementation Date: October 5, 2009

**Key Words** MM6606, CR6606, R1796CP, Hospice, Wage, Index, Pricer

**Contractors Affected**

- Part A/B Medicare Administrative Contractors (A/B MACs)
- Fiscal Intermediaries (FIs)
- Regional Home Health Intermediaries (RHHIs)

**Provider Types Affected**

Hospice providers submitting claims to Medicare FIs, A/B MACs, and/or RHHIs for services provided to Medicare beneficiaries



Change Request (CR) 6606 provides the annual update to the hospice payment rates for FY 2010, the hospice aggregate cap amount for the cap period ending October 31, 2009, and the hospice wage index, and Pricer for FY 2010.

**Provider Needs to Know...**

**Hospice Payment Rates**

- The FY 2010 payment rates will be the FY 2009 payment rates, increased by 2.1 percentage points, which is the total hospital market basket percentage increase forecasted for FY 2010.
- The FY 2010 hospice payment rates are shown in the following table and are effective for care and services furnished on or after October 1, 2009, through September 30, 2010.

Code	Description	Rate	Wage Component Subject to Index	Non-Weighted Amount
651	Routine Home Care	\$142.91	\$ 98.19	\$ 44.72
652	Continuous Home Care Full Rate = 24 hours of care \$34.75= hourly rate	\$834.10	\$573.11	\$260.99
655	Inpatient Respite Care	\$147.83	\$ 80.02	\$ 67.81
656	General Inpatient Care	\$635.74	\$406.94	\$228.80

- Providers may view further discussion of the hospice payment rate in the *Medicare Claims Processing Manual*, Chapter 11 (Processing Hospice Claims), Section 30.2 (Payment Rates) at <http://www.cms.hhs.gov/manuals/downloads/clm104c11.pdf> on the Centers for Medicare & Medicaid Services (CMS) website.

### Hospice Cap

- The latest hospice cap amount for the cap year ending October 31, 2009, is \$23,014.50.
- To compute the cap, CMS used the medical care expenditure category of the March 2009 Consumer Price Index for all Urban consumers that was published by the Bureau of Labor Statistics (<http://www.bls.gov/cpi/home.htm>), which was 373.189.
- Providers can review further discussion of the hospice cap in the *Medicare Claims Processing Manual*, Chapter 11 (Processing Hospice Claims), Section 80.2 (Cap on Overall Hospice Reimbursement) at <http://www.cms.hhs.gov/manuals/downloads/clm104c11.pdf> on the CMS website.

### Hospice Wage Index

- The hospice wage index final rule will be effective October 1, 2009. The final rule for the 2010 hospice wage index is available at <http://edocket.access.gpo.gov/2009/pdf/E9-18553.pdf> on the Internet.

### Reminder

- Hospice providers are encouraged to split claims when the dates of service span separate FYs (e.g., claims with September and October services).
- This allows Medicare systems to price the September services at the FY 2009 rates and the October services at the FY 2010 rates.
- If providers do not split such claims, all the services will be paid using the FY 2009 rates, and Medicare contractor will not perform subsequent adjustments for such claims paid totally at the 2009 rates.

## Background

- CMS updates the payment for hospice care, the hospice aggregate cap amount, and the hospice wage index annually.
- The Social Security Act (Section 1814(i)(1)(C)(ii)) (the Act) stipulates that the **payments for hospice care** for FYs after 2002 will increase by the market basket percentage increase for that FY. Providers can view the Social Security Act, Section 1814(i)(1)(C)(ii) at [http://www.ssa.gov/OP\\_Home/ssact/title18/1814.htm](http://www.ssa.gov/OP_Home/ssact/title18/1814.htm) on the Internet.
- This payment methodology has been codified in the Code of Federal Regulations (CFR) (42, Section 418.306 (a)&(b)). Providers can review this CFR at [http://edocket.access.gpo.gov/cfr\\_2006/octqtr/pdf/42cfr418.306.pdf](http://edocket.access.gpo.gov/cfr_2006/octqtr/pdf/42cfr418.306.pdf) on the Internet.
- The **hospice aggregate cap** amount is updated annually. The cap amount is increased or decreased for accounting years after 1984 by the same percentage as the percentage increase or decrease (respectively) in the medical care expenditure category of the Consumer Price Index for all Urban Consumers.
- **The hospice wage index** is used to adjust payment rates to reflect local differences in wages according to the revised wage index. It is updated annually in accordance with recommendations made by a negotiated rulemaking advisory committee as published in the Federal Register on August 8, 1997, and August 8 respectively.
- Providers can review this information in the Federal Register at [http://bulk.resource.org/gpo.gov/register/1997/1997\\_42883.pdf](http://bulk.resource.org/gpo.gov/register/1997/1997_42883.pdf) on the Internet and <http://edocket.access.gpo.gov/2008/pdf/E8-17795.pdf> on the Internet.
- The CFR (42 CFR 418.306(c)) requires that the updated hospice wage index be published annually in the Federal Register at [http://edocket.access.gpo.gov/cfr\\_2006/octqtr/pdf/42cfr418.306.pdf](http://edocket.access.gpo.gov/cfr_2006/octqtr/pdf/42cfr418.306.pdf) on the Internet.

## Operational

## Impact

- The annual hospice payment updates will be implemented through the hospice Pricer software and forwarded to the intermediaries following the publication of the wage index final rule.
- The new Pricer module will not contain any new calculation logic, but will simply apply the existing calculation to the updated payment rates shown above. An updated table will be installed in the module, to reflect the FY 2010 hospice wage index.

Reference  
Materials

The related MLN Matters® article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6606.pdf> on the CMS website.

The official instruction (CR6606) regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R1796CP.pdf> on the CMS website.