



Update to Hospice Payment Rates, Hospice Cap, Hospice Wage Index, and the Hospice Pricer for Fiscal Year (FY) 2011 – JA7077

Related CR Release Date: July 23, 2010

Date Job Aid Revised: August 4, 2010

Effective Date: October 1, 2010

Implementation Date: October 4, 2010

Key Words MM7077, CR7077, R2004CP, Hospice, Payment, Cap, Wage, Index, Pricer

Contractors Affected

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

Provider Types Affected Provider types affected are hospice providers submitting claims to Medicare FIs, A/B MACs, and/or RHHIs for services provided to Medicare beneficiaries.



Change Request (CR) 7077 provides the annual update to the hospice payment rates for 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.

FY 2011 HOSPICE PAYMENT RATES

Provider Needs to Know...

- 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) (<http://www.cms.hhs.gov/manuals/downloads/clm104c11.pdf>).

HOSPICE CAP

- The latest hospice cap amount for the cap year ending October 31, 2010, is **\$23,874.98**.
- In computing the cap, the Centers for Medicare & Medicaid Services (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).

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.

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)) stipulates that the **payments for hospice care** for FYs after 2002 will increase by the market basket percentage increase for that FY.
- This payment methodology is codified in the Code of Federal Regulations (refer to Title 42, Section 418.306 (a)&(b)).

Operational Impact	N/A
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Reference Materials	<p>The related MLN Matters® article can be found at http://www.cms.gov/MLN MattersArticles/downloads/MM7077.pdf on the CMS website.</p> <p>The official instruction (CR7077) issued regarding this change may be found at http://www.cms.gov/Transmittals/downloads/R2004CP.pdf on the CMS website.</p>
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