

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



Revised product from the Medicare Learning Network® (MLN)

- [ICD-10-CM/PCS Billing and Payment Frequently Asked Questions](#), Fact Sheet (ICN 908974)

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Change Request (CR) #: CR 9201

Effective Date: January 1, 2016

Implementation Date: January 4, 2016

Implementation of the Hospice Payment Reforms

Note: This article was revised on August 26, 2015, to remove an incorrect phrase regarding add-on payments in the first two days of hospice care. There are no Service Intensity Add-On payments during the first two days of admission. All other information remains the same.

Provider Types Affected

This MLN Matters® Article is intended for providers of hospice care, including routine home care, who submit claims to Medicare Administrative Contractors (MACs) for services to Medicare beneficiaries.

Provider Action Needed



STOP – Impact to You

If you provide hospice care, the implementation of hospice payment reforms found in this article may impact your Medicare payments.

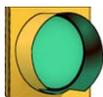
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CAUTION – What You Need to Know

Change Request (CR) 9201 implements service intensity add-on payments for hospice social worker and nursing visits provided during the last 7 days of life when provided during routine home care. CR9201 also will implement two routine home care rates, paying a higher rate in the first 60 days of a hospice election and a lower rate for days 61 and later. CR 9201 revises Sections 20.1.2, 30.1, and 30.2 of Chapter 11 in “[Medicare Claims Processing Manual](#).” The CR also creates a new section, 30.2.2, “Service Intensity Add-on (SIA) Payments” in that manual. The new and revised sections are attached to CR9201.



GO – What You Need to Do

Make sure that your billing staffs are aware of these reforms and additions to hospice and routine home care payments.

Background

Section 3132(a) of the Patient Protection and Affordable Care Act of 2010 (Pub. L 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L 11-152) (collectively referred to as the “Affordable Care Act”) amended Section 1814(i)(6) of the Social Security Act. This amendment required that, no earlier than October 1, 2013, revisions be made to the methodology for determining the payment rate for routine home care and other services. Such revisions may include adjustments to per diem payments that reflect changes in resource intensity in providing such care and services during the course of hospice care.

Analysis of recent Medicare hospice utilization data demonstrates that hospice costs are markedly higher both at the beginning and the end of a hospice episode. In 2014, the Medicare Payment Advisory Commission (MedPAC) presented a report to Congress regarding its summary of analyses of the Medicare hospice benefit. In summary, the report concluded that because short-stay hospice episodes may lead to financial losses and reduced margins, providers might be seeking ways to maximize long stays in their beneficiary population and mechanisms to avoid the costliness of both the early and late portions of hospice episodes. You may access the entire report to Congress at http://www.medpac.gov/documents/reports/mar14_entirereport.pdf on the MedPAC website.

The Centers for Medicare & Medicaid Services (CMS) has found through its own analyses of recent claims data that hospice decedents receiving care at home received few skilled visits the last two to four days of life. CMS found some hospice providers did not provide any skilled visits in the last two days of life to more than 50 percent of their patients.

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Routine Home Care (RHC) Per Diem Rates

In order to address these concerns, two different RHC per diem rates have been created for the RHC level of care, depending on the timing of the day within the patient's episode of care. CMS considers a hospice "episode" of care to be a hospice election period or series of election periods. Days 1 through 60 will be paid at the RHC 'High' Rate while days 61+ will be paid at the RHC 'Low' Rate. These differing rates will serve to capture varying levels of resource intensity during the course of hospice care, as the beginning portion of the stay is generally more costly than the later segment.

Effective for hospice services with dates of service on or after January 1, 2016, a hospice day billed at the RHC level of care will be paid one of two RHC rates based upon the following:

1. The day is billed as an RHC level of care day.
2. If the day occurs during the first 60 days of an episode, the RHC rate will be equal to the RHC 'High' Rate.
3. If the day occurs during days 61 and beyond, the RHC rate will be equal to the RHC 'Low' Rate.
4. For a hospice patient who is discharged and readmitted to hospice within 60 days of that discharge, his/her prior hospice days will continue to follow the patient and count toward his/her patient days for the receiving hospice in the determination of whether the receiving hospice may bill at the high or low RHC rate, upon hospice election.
5. For a hospice patient who has been discharged from hospice care for more than 60 days, a new election to hospice will initiate a reset of the patient's 60-day window, paid at the RHC 'High' Rate upon the new hospice election.

Service Intensity Add-On Payment (SIA)

Effective for hospice services with dates of service on and after January 1, 2016, a hospice claim will be eligible for an end of life (EOL) Service Intensity Add-On (SIA) payment if the following criteria are met:

1. The day is an RHC level of care day.
2. The day occurs during the last seven days of life (and the beneficiary is discharged dead).
3. Service is provided by a Registered Nurse (RN) or social worker that day for at least 15 minutes and up to 4 hours total.
4. The service is not provided by a social worker via telephone.

The SIA Payment amount shall equal:

- The number of hours (in 15 minute increments) of service provided by an RN or social worker during the last seven days of life for a minimum of 15 minutes and up to 4 hours total per day;

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- Multiplied by the current hospice Continuous Home Care (CHC) hourly rate per 15 minutes x visit units (not greater than 16).
- Adjusted for geographic differences in wages.

The SIA policy necessitates the creation of two new G codes for nursing that distinguish between nursing care provided by a RN and nursing care provided by a Licensed Practical Nurse (LPN). During periods of crisis such as the precipitous decline before death, patient needs typically surge and more intensive services are warranted. The Medicare Conditions of Participation (CoPs) at 42 CFR 418.56(a) state that an RN is responsible for ensuring that the needs of the patient and family are continually assessed. CMS would expect that at end of life the needs of the patient and family would need to be frequently assessed and thus the skills of an RN are required. RNs are more highly trained clinicians with commensurately higher wage rates.

Since the existing codes do not distinguish between services provided by an RN and a LPN, CMS will obtain new codes to distinguish between RN services and LPN services by January 1, 2016.

The SIA daily payment calculated by the Hospice PRICER will be entered on the first applicable visit line item for each date of service payable.

Routine Home Care (RHC) Per Diem Rates

Example:

- Patient elected hospice for the first time on 01/10/16.
- The patient revoked hospice on 01/30/16.
- The patient re-elected hospice on 02/16/16.
- The patient discharged deceased from hospice care on 03/28/16.

Since the break in hospice care from 01/30 to 02/16 was less than 60 days the patient day count continues on the second admission.

RHC provided during first election from 01/10/16 to 01/30/16 accounts for 21 days that the high RHC rate would apply. The 60 day count continues with second admission on 2/16/16 and the high RHC rate would apply for an additional 39 days. Day 61 begins the low RHC rate on 3/27/16.

Multiple RHC days are reported on a single line item on the claim. The line item date of service represents the first date at the level of care and the units represent the number of days. As a result, both high and low RHC rates may apply to a single line item.

Extending the example above, if the March claim for this patient consisted entirely of RHC days at home, the payment line item would look like this:

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Revenue Code - 0651
 HCPCS - Q5001
 Line Item Date of Service - 03/01/16
 Units - 31

Medicare systems would:

- calculate the dates from 3/01 to 3/26 at the high RHC rate,
- calculate the dates from 3/27 to 3/31 at the low RHC rate, and
- sum these two amounts in the payment applied to this line item.

Service Intensity Add-On Payment (SIA)

Example:

Billing Period: 12/01/XX – 12/09/XX, Patient Status: 40
 RHC in home, discharged deceased.

Revenue Code	HCPCS	Line Item Date of Service	Units
0651	Q5001	12/01/XX	9
0551	G0154	12/01/XX	4
0571	G0156	12/02/XX	6
0561	G0155	12/05/XX	4
0571	G0156	12/05/XX	3
0551	G0154	12/06/XX	3
0571	G0156	12/06XX	4
0551	G0154	12/09/XX	4
0561	G0155	12/09/XX	6
0571	G0156	12/09/XX	2

*Visits reported prior to 12/03/XX are not included in the EOL 7 day SIA.

Day 1 of 7, 12/03/XX, no qualifying units reported for the EOL SIA.

Day 2 of 7, 12/04/XX, no qualifying units reported for the EOL SIA.

Day 3 of 7, 12/05/XX, qualifying units are 4. Day 3 of the EOL SIA payment is stored on the first applicable visit line for that date: 0561 G0155 12/05/XX UNITS 4

Day 4 of 7, 12/06/XX, qualifying units are 3. Day 4 of the EOL SIA payment is stored on the first applicable visit line for that date: 0551 G0154 12/06/XX UNITS 3

Day 5 of 7, 12/07/XX, no qualifying units reported for the EOL SIA.

Day 6 of 7, 12/08/XX, no qualifying units reported for the EOL SIA.

Day 7 of 7, 12/09/XX, qualifying units are 10. Day 7 of the EOL SIA payment is stored on the first applicable visit line for that date: 0551 G0154 12/09/XX UNITS 4.

For the guidelines above and in completing the uniform bill for hospice election, the hospice enters the admission date, which must be the start date of the benefit period in all cases

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except when a transfer occurs. In transfer situations, the hospice should use their own admission date. When a new hospice admission occurs after a hospice revocation or discharge that resulted in termination of the hospice benefit, the election date cannot be the same as the revocation or discharge date.

To ensure accuracy and prevent a delay in posting the hospice notice of election, hospices should validate Certificate/Social Security Number and Health Insurance Claim/Identification Number using the Health Insurance Portability and Accountability Act (HIPAA) Eligibility Transaction System (HETS). Only in the event that the HETS data is not available should the hospice show the number as it appears on the patient's HI Card, Social Security Award Certificate, Utilization Notice, Explanation of Medicare Benefits (EOMB), Temporary Eligibility Notice, and so forth, or as reported by the Social Security Office.

Additional Information

The official instruction, CR9201 issued to your MAC regarding this change is available at <http://www.cms.hhs.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3326CP.pdf> on the CMS website.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/index.html> under - How Does It Work?

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