



## Recent and Upcoming Improvements In Hospice Billing and Claims Processing

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**Note: This article was revised on August 20, 2018, to amend the process for removing a revocation date that was submitted in error. Other minor clarifications were made.**

### PROVIDER TYPE AFFECTED

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This MLN Matters Article is intended for hospices billing Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

### PROVIDER ACTION NEEDED

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Hospice billing staff should review this article to understand the recent and upcoming Medicare improvements to hospice billing and claims processing.

### RECENT IMPROVEMENTS

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#### *Submitting Notices of Election via Electronic Data Interchange*

To be covered by the Medicare hospice benefit, a beneficiary must sign an election statement, indicating their choice of hospice care instead of curative treatment. The hospice notifies the Medicare program that a beneficiary's election is on file by submitting a Notice of Election (NOE). The NOE is submitted like a claim. The NOE processes through Medicare claims systems, which updates beneficiary records and later uses the information to adjudicate hospice claims.

Before January 1, 2018, the hospice could only submit NOEs using paper claim forms or key-entering the NOE information into the MAC's Direct Data Entry (DDE) screens. The hospice industry requested that Medicare implement submission of NOEs via Electronic Data Interchange (EDI). EDI transmission and receipt of NOEs would reduce, and potentially eliminate, problems with NOEs that result from DDE keying errors. Hospices could export data from their electronic medical record or other software system into the EDI format without human intervention.

Effective January 1, 2018, Medicare began to accept NOE and related transaction data using a non-standard implementation of the 837I claim transaction. Medicare published a companion guide for NOE transmissions in the Downloads section on the CMS Hospice Services website at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/Hospice/index.html>.

This companion guide provides hospices and their software vendors instructions for how to complete data elements required by the 837I claim transaction but not required by an NOE. Hospices may voluntarily agree to adopt the companion guide and use it to submit EDI NOEs at any time.

### ***Correcting Election or Revocation Dates using Occurrence Code 56***

Along with the companion guide, the Centers for Medicare & Medicaid Services (CMS) issued Change Request (CR) 10064 (<https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2017Downloads/R3866CP.pdf>), which clarified submission instructions for NOEs and related transactions. The instructions allow hospices to use a new occurrence code 56 when submitting corrections to election or revocation dates.

In the past, if a hospice made an error in the election date on an NOE (Type of Bill (TOB) 8xA), the hospice had to cancel the incorrect election (using TOB 8xD) and then submit a replacement NOE. This would correct the election date in Medicare systems, but the original NOE receipt date was lost. When the replacement NOE was processed, it often appeared that it was submitted after the 5 day timely filing period. This in turn resulted in the need to request an exception to the NOE timely filing requirement. This was an administrative burden.

Now, in order to correct an election date, the hospice can simply submit another TOB 8xA, using the correct election date as the From, Admission dates and Occurrence Code 27 dates. The hospice must also submit the original, incorrect election date on the 8xA using occurrence code 56. Medicare systems use this date to find the election record to be corrected, then replaces that election date with the corrected information. The hospice must also indicate the NOE is a correction by adding condition code D0 (zero). If occurrence code 56 and condition code D0 are not both present, the NOE will be returned to the hospice.

In the example below, an incorrect election date of 1/1 is corrected to 1/7:

```

MAP1711  PAGE 01          JM MAC SC/HHH UAT #11001          ACMFA891 05/18/18
          SC              INST CLAIM ENTRY              C201823P 09:17:43
HIC xxxxxxxxxxxx  TOB 81A  S/LOC S B0100 OSCAR          SV:  UB-FORM
NPI 1xxxxxxxxx0  TRANS HOSP PROV          PROCESS NEW HIC
PAT.CNTL#:          TAX#/SUB:          TAXO.CD:
STMT DATES FROM 0107xx  TO 0107xx  DAYS COV          N-C          CO          LTR
LAST xxx          FIRST xxx          MI          DOB xxxxxxxx
ADDR 1 xxx          2 xxx
3          4          CARR:
5          6          LOC:
ZIP xxxxxxxxxx  SEX x MS  ADMIT DATE 0107xx  HR          TYPE          SRC          D HM          STAT
COND CODES 01 D0 02          03          04          05          06          07          08          09          10
OCC CDS/DATE 01 27 0107xx  02 56 0101xx  03          04          05
          06          07          08          09          10
SPAN CODES/DATES 01          02          03
04          05          06          07
08          09          10          FAC.ZIP
DCN
      V A L U E  C O D E S  -  A M O U N T S  -  A N S I  MSP APP IND
01          02          03
04          05          06
07          08          09
PLEASE ENTER DATA
PRESS PF3-EXIT  PF5-SCROLL BKWD  PF6-SCROLL FWD  PF7-PREV  PF8-NEXT
    
```

The hospice can use a similar process to correct a revocation date, if the wrong date was submitted on a Notice of Termination/Revocation (NOTR) using TOB 8xB. The hospice can submit another TOB 8xB, using the correct revocation date as the Through date. The hospice must also submit the original, incorrect revocation date on the 8xB using occurrence code 56.

In the example below, the original revocation date of 3/28 is corrected to 3/31:

```

MAP1711  PAGE 01          JM MAC SC/HHH UAT #11001          ACMFA891 05/18/18
                SC          INST CLAIM ENTRY          C201823P 09:28:24
HIC xxxxxxxxxxxx  TOB 81B  S/LOC S B0100 OSCAR          SV:  UB-FORM
NPI 1xxxxxxxxx0  TRANS HOSP PROV          PROCESS NEW HIC
PAT.CNTL#:          TAX#/SUB:          TAXO.CD:
STMT DATES FROM 0107xx  TO 0331xx  DAYS COV          N-C          CO          LTR
LAST xxx          FIRST xxx          MI          DOB xxxxxxxx
ADDR 1 xxx          2 xxx
3          4          CARR:
5          6          LOC:
ZIP xxxxxxxx  SEX x MS  ADMIT DATE 0107xx  HR          TYPE          SRC          D HM          STAT
COND CODES 01 00 02  03  04  05  06  07  08  09  10
OCC CDS/DATE 01 56 0328xx 02          03          04          05
                06          07          08          09          10
SPAN CODES/DATES 01          02          03
04          05          06          07
08          09          10          FAC.ZIP
DCN
      V A L U E  C O D E S  -  A M O U N T S  -  A N S I  MSP APP IND
01          02          03
04          05          06
07          08          09
PLEASE ENTER DATA
PRESS PF3-EXIT  PF5-SCROLL BKWD  PF6-SCROLL FWD  PF7-PREV  PF8-NEXT
    
```

If a revocation date was submitted entirely in error (for instance, the beneficiary actually transferred to another hospice, rather than revoking their hospice benefit), the hospice can remove the revocation date in one of two ways. If the revocation date was originally submitted on a discharge claim, the hospice can submit an adjustment to the discharge claim changing the patient status code to 50 or 51. If the revocation date was originally submitted on a NOTR (TOB 8xB), the hospice will need to cancel any claims processed in the benefit period, remove the election period with TOB 8xD to remove the revocation date, and resubmit corrected information.

The original issuance of this article recommended submitting TOB 8xB with zeroes in the Through date. Further testing has shown that this process is not working. Medicare will implement this process in a future Change Request.

**Note that these correction processes only apply to election or revocation dates on and after January 1, 2018.**

## JULY 2018 IMPROVEMENTS

Over the past 2 years, Medicare has been planning, developing and testing a redesign of the way hospice elections are displayed in claims processing systems. The redesign ensures that hospice election and revocation date information are separate from benefit period information, so the two types of information can be changed independently.

A new hospice election period will be added to the Common Working File (CWF) system to carry election-related information. The existing hospice benefit period screens will continue to look the same, but election-related fields on those screens (revocation indicators, NOE receipt dates) will no longer be used. These changes will be implemented on July 2, 2018.

MACs will convert all existing hospice benefit periods into the new election period and benefit period format if the revocation date on the benefit period is blank (current elections) or is 4 years old or less. Older benefit periods will remain in Medicare systems unchanged. All new hospice elections received on or after July 2, 2018 will create periods in the new formats.

This redesign of CWF hospice information will have the following benefits:

- Reduce NOE timely filing exception requests for providers, by ensuring benefit periods can be cancelled without removing the NOE receipt date.
- Allow NOTRs to be submitted at any time, rather than only when a benefit period covering the revocation date has been created by claims.
- Reduce workload for providers when reprocessing periods by automatically removing benefit periods when all claims in the period are cancelled.
- Enable easier implementation of future policy changes by ensuring data in Medicare systems reflect hospice coverage requirements more clearly.

The remainder of this article describes the new design in greater detail and provides guidance for hospices about changes in their submission process.

### ***New Election Period File and Screen***

Beginning July 2, 2018, when a hospice submits an NOE (TOB 8xA), Medicare systems will create an election period in Medicare systems that is separate from any benefit periods. Hospices will be able to view the election period on new CWF and DDE inquiry screens that look like this:

```

ELGA                CWF  PART A  ELIGIBILITY SYSTEM                ELGACRO
MM/DD/CCYY  HH:MM:SS                HOSPICE ELECTION PERIOD                PAGE 17 OF XX
IP-REC  CN  XXXXXXXXXXXXX  NM  XXXXXX  IT  X  DB  MMDDCCYY  SX  X  INT  XXXXX
HOSPICE
ELECTION                PERIOD  X                PERIOD  X                PERIOD  X                PERIOD  X
    
```

ELECT DATE	MMDDCCYY	MMDDCCYY	MMDDCCYY	MMDDCCYY
RECIPT DATE	MMDDCCYY	MMDDCCYY	MMDDCCYY	MMDDCCYY
REVOC DATE	MMDDCCYY	MMDDCCYY	MMDDCCYY	MMDDCCYY
REVOC IND	9	9	9	9
PROVIDER	XXXXXX	XXXXXX	XXXXXX	XXXXXX
NPI	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX

The hospice election period only contains identifying information for the beneficiary and the provider, plus key pieces of information each about the election (the election date and the NOE receipt date) and about the revocation (the revocation date and revocation indicator). When an 8xA is processed, the election date and receipt date will be updated on the election period CWF inquiry screen.

The NOE receipt date will be retained on the election period permanently. If a benefit period is cancelled, this will no longer remove the NOE receipt date from Medicare systems. If the election date is changed using the occurrence code 56/condition code D0 process described above, the NOE receipt date will not change. These improvements will reduce the number of NOE timely filing exceptions related to limitations in Medicare systems.

**Benefit Periods**

Unlike the past process, the 8xA will not create a hospice benefit period. Benefit periods will be created by submitting claims. The CWF inquiry screen displaying benefit periods will look the same as it does today. Benefit period information will support claims processing functions only, while the election period carries only the beneficiary’s election status.

Hospice providers will no longer need to submit Void/Cancel Notices (TOB 8xD) in order to remove hospice benefit periods. If a hospice needs to cancel all the claims in a benefit period, Medicare systems will remove the hospice benefit period only when all the claims are cancelled. This will reduce the number of submissions required when reprocessing periods due to sequential billing issues or other circumstances. Since the NOE receipt date will remain on the election period when the benefit period is removed, these scenarios will no longer required NOE timely filing exception requests if the claims in the period are resubmitted later.

**Making Changes to Election Period or Benefit Period Information**

When a hospice submits an NOTR (TOB 8xB), Medicare systems will post a revocation date on the new CWF election period screen and change the revocation indicator to 1. Similarly, if a revocation date is corrected using the 56/D0 process, the correct date will be displayed on the new CWF election period screen.

The hospice can take either of these actions regardless of whether a benefit period has been created by claims. This will remove a current barrier to prompt submission of NOTRs that also delays posting of subsequent NOEs. Removing this barrier will further reduce the need for NOE

timely filing exceptions.

If the hospice files the discharge claim in lieu of the NOTR, the claims will also post the revocation date and revocation indicator on the new CWF election period screen, in addition to updating the TERM DATE of the benefit period to match the revocation date.

When a hospice submits a Change of Provider/Transfer Notice (TOB 8xC) or a Change of Ownership Notice (TOB 8xE), this will make no changes to the new CWF election period screen. These transactions notify Medicare of the provider number that is allowed to bill for the beneficiary's hospice services, so an 8xC will post the START DATE2 on the hospice benefit period or an 8xE will post an OWNER CHANGE start date on the benefit period as they do today.

### ***NOTR Submission Changes***

These changes will require hospices to change how they submit the From date on an NOTR.

- When there is no change in the provider number during the election, the hospice must submit the start date of the election period as the From date on the NOTR. In the past, the hospice submitted the start date of the current benefit period as the From date, so it is important for hospices to be aware of this new procedure.
- If the revocation follows a transfer, the From date on the NOTR must match the START DATE2 on the benefit period that initiated the transfer.
- If the revocation follows a change of ownership, the From date on the NOTR must match the OWNER CHANGE start date on the benefit periods. This process is to ensure that only the provider currently providing services to the beneficiary can submit the NOTR.
- In all cases, the Admission Date on the NOTR must continue to match the From date.

### ***Void/Cancel Submissions***

The hospice will continue to use TOB 8xD to:

- Remove an election period
- Remove a transfer that was submitted in error
- Remove a change of ownership that was submitted in error

As with NOTRs, hospices will need to be careful with the From date on the 8xD in order to remove the correct information.

- When there is no change in the provider number during the election, the hospice must submit the start date of the election period as the From date on the 8xD. Like today, all claims during the election must be cancelled before an election period can be removed.
- When there has been a transfer or change of ownership, the From date on the 8xD must match the corresponding transfer or change date to ensure those dates are removed correctly.

### Processing Impacts

Today, if a benefit period exists for a beneficiary and is not revoked, another NOE can be accepted for a later date as long as the From and Admission dates on the later NOE do not fall within the dates of the existing benefit period. With the conversion to election periods, a later NOE for the same beneficiary when there is no revocation date will be rejected with FISS reason code U5106. Consistent submission of revocations, via NOTRs or claims, within 5 days of the revocation date as required by regulation, will be increasingly important to prevent this edit.

Additionally, the first claim submitted by the hospice after an election must ensure the From and Admission dates match the election period start date. This will ensure the first benefit period in the election is created correctly and subsequent claims will process. Following existing sequential billing requirements will ensure this happens, but hospices may see an increase in claims rejected with FISS reason code U5181 otherwise.

### Summary Chart

The following chart provides a reference to help hospices understand which of their submissions will impact an election period or a benefit period.

		Effects of Election Periods			Effects of Benefits Periods	
Transaction Type	Type of Bill	Creates Election Period	Changes Existing Election Period	Removes Election Period	Creates Benefit Period	Changes Existing Benefit Period
Notice of Election Period	8xA	Always	OC 56 only	Never	Never	Never
Notice of Termination/Revocation	8xB	Never	Always	Never	Never	Makes Term Date match revocation date
Transfer Notice	8xC	Never	Never	Never	Only when no claims have created periods for previous hospice	Always



		Effects of Election Periods			Effects of Benefits Periods	
Transaction Type	Type of Bill	Creates Election Period	Changes Existing Election Period	Removes Election Period	Creates Benefit Period	Changes Existing Benefit Period
Void/Cancel of Election	8xD	Never	Never	Always	Never	Never
Change of Ownership Notice	8xE	Never	Never	Never	Only when no claims have created periods for previous hospice	Always
Admit thru Discharge Claim	8x1	Never	Adds revocation date and rev ind., if not a transfer	Never	Always	Always
Admission Claim	8x2	Never	Never	Never	Always	Always
Continuing Claim	8x3	Never	Never	Never	If OC 27 is present and "Through" date spans end of current period	Always
Discharge Claim	8x4	Never	Adds revocation date and rev ind., If not a transfer	Never	If OC 27 is present and "Through" date spans end of current period	Always

## ADDITIONAL INFORMATION

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

## DOCUMENT HISTORY

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Date of Change	Description
August 20, 2018	The article was revised to amend the process for removing a revocation date that was submitted on error. Other minor clarifications were made.
June 7, 2018	Initial article released.

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