

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



MLN Matters® Number: MM8371

Related Change Request (CR) #: CR 8371

Related CR Release Date: July 26, 2013

Effective Date: January 1, 2014

Related CR Transmittal #: R2748CP

Implementation Date: January 6, 2014

Demand Billing of Hospice General Inpatient Level of Care

Provider Types Affected

This MLN Matters® Article is intended for hospices submitting claims to Medicare contractors (Home Health and Hospice Medicare Administrative Contractors (HHH MACs) and Regional Home Health Intermediaries (RHHIs)) for services to Medicare beneficiaries.

Provider Action Needed

This article is based on Change Request (CR) 8371, which instructs hospices on preparing demand bills when General Inpatient Care (GIP) is denied and the routine home care rate is applicable. The CR also instructs Medicare contractors on reviewing and processing demand bills. The CR clarifies current policy and contains no changes in policy.

Background

The Advance Beneficiary Notice of Non-coverage (ABN), Form CMS-R-131, is issued by a hospice to Medicare beneficiaries in situations where Medicare payment is expected to be denied. ABN issuance is mandatory when the level of hospice care is determined to be not reasonable or medically necessary as defined in Section 1862(a)(1)(A) or Section 1862(a)(1)(C) of the Social Security Act.

When a Medicare hospice beneficiary has been receiving covered General Inpatient Care (GIP) and the hospice determines that continued hospice GIP care is not reasonable and medically necessary, the provider must issue an ABN if the beneficiary wants to continue receiving the level of hospice care that likely will not be covered by Medicare.

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The beneficiary may indicate on the ABN that Medicare be billed for a determination. Billing instructions for demand bills associated with ABN issuance are provided in the "Medicare Claims Processing Manual," Chapter 1, Section 60.4.1 (Outpatient Billing with an ABN (Occurrence Code 32)). That manual information is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c01.pdf> on the Centers for Medicare & Medicaid Services (CMS) website. The occurrence code 32 is reported on the claim with the date the ABN was provided to the beneficiary. The services in question are submitted as covered services and, when billing for both ABN related and non-ABN related services, the hospice appends the GA modifier to the line item(s) related to the ABN. Hospices should be aware Medicare may require suspension of any claims using occurrence code 32 for medical review of covered charges associated with an ABN.

Medicare contractors reviewing GIP reported on a hospice claim with an ABN provided may conclude the care is not reasonable and medically necessary. When the Medicare contractor makes the non-coverage determination, they must non-cover the line item(s) on the claim. However, since hospices may be paid the Routine Home Care (RHC) rate in lieu of the denied GIP service, the Medicare contractor must also add a line item for RHC (revenue code 0651) for each denied GIP line. The charges associated with the added RHC line should be the RHC rate the hospice reports on their claim or, in the absence of hospice submitted RHC line items, the Medicare contractor will enter the RHC base rate. Medicare systems will allow a hospice claim with GIP and RHC reported with the same line item date of service when at least one of the line items is non-covered. Both line items may not be covered.

These instructions are specific to demand bills for GIP with an ABN presented. It does not replace all other demand bill instructions.

Additional Information

The official instruction, CR8371, issued to your Medicare contractor regarding this change, may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R2748CP.pdf> on the CMS website.

If you have any questions, please contact your Medicare contractor at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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