

Program Memorandum Intermediaries

Department of Health and
Human Services (DHHS)
HEALTH CARE FINANCING
ADMINISTRATION (HCFA)

Transmittal A-01-04

Date: JANUARY 16, 2001

CHANGE REQUEST 1506

SUBJECT: Change in Hospice Payment Rates As Required by the Benefits Improvement and Protection Act

Section 1814(i)(1)(C)(ii) of the Act provides an annual increase in the payment rates for hospice care services.

Section 321 of the Benefits Improvement and Protection Act amended §1814(i)(1)(C)(ii)(VI) by increasing the Medicare hospice rates for FY 2001 by 5 percent. However, the law specifies that this increase is to apply to hospice care and services furnished on or after April 1, 2001.

Hospice payment rates for care and services furnished on or after April 1, 2001, through September 30, 2001, are increased to the following amounts. Use the "From" date on the bill to determine the effective date. Payments for hospice physician services are not affected by this provision. The hospice rates applicable to the above period are:

<u>Revenue Code</u>	<u>Description</u>	<u>Rate</u>	<u>Wage Component Subject to Index</u>	<u>Unweighted Amount</u>
651	Routine Home Care	\$106.93	\$ 73.47	\$ 33.46
652	Continuous Home Care full rate = 24 hours of care/\$26.01 hourly rate	\$624.13	\$428.84	\$195.29
655	Inpatient Respite Care	\$110.62	\$ 59.88	\$ 50.74
656	General Inpatient Care	\$475.69	\$304.49	\$171.20

Allow the provider to split bills if they span the effective date. Use FY 2000 rates if the provider chooses not to split the bill.

The latest hospice cap amount remains unchanged for the cap year ending October 31, 2000.

Inform hospice providers of these changes within 30 days.

Adjust all bills for services furnished on or after April 1, 2001, which have been paid at previous FY 2001 rates to the rates specified above.

Send the above information to all hospices in your provider file, hospice professional groups, and software support organizations.

HCFA-Pub. 60A

The *effective date* for this Program Memorandum (PM) is April 1, 2001.

The *implementation date* for this PM is April 1, 2001.

These instructions should be implemented within your current operating budget.

This PM may be discarded after April 1, 2002.

If you have any questions contact Carol Blackford on (410) 786-5909 and Lynn Riley on (410) 768-1286.