

Program Memorandum Intermediaries

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

Transmittal A-01-81

Date: JUNE 29, 2001

CHANGE REQUEST 1755

SUBJECT: Change in Hospice Payment Rates, Update to the Hospice Cap, Revised Hospice Wage Index and Hospice Pricer

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

Hospice payment rates for care and services furnished on or after October 1, 2001 through September 30, 2002 are increased to the following amounts.

Fiscal year (FY) 2002 hospice payment rates reflect amendments made to §1814(i)(1)(C) of the Act by §131 of the Balanced Budget Refinement Act of 1999 and to §1814(i)(1)(C)(ii)(VI) of the Act by §321 of the Benefits Improvement and Protection Act of 2000. 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	\$110.42	\$ 75.87	\$ 34.55
652	Continuous Home Care full rate = 24 hours of care/\$26.85 hourly rate	\$644.45	\$442.80	\$201.65
655	Inpatient Respite Care	\$114.22	\$ 61.83	\$ 52.39
656	General Inpatient Care	\$491.19	\$314.41	\$176.78

Allow the provider to split bills if they span the effective date. Use FY 2001 rates if the provider chooses not to split the bill.

Section 1814(i)(2)(B) of the Act provides an annual increase (or decrease) in the hospice cap amount. The latest hospice cap amount for the cap year ending October 31, 2001 is \$16,650.85.

The notice announcing the FY 2002 hospice wage index will be published in the *Federal Register* before October 1, 2001. The revised wage index and rates will be incorporated in the hospice pricer and forwarded to the intermediaries following publication of the notice.

Inform hospice providers of these changes within 30 days of receipt of this Program Memorandum (PM).

Adjust all bills paid at previous rates to FY 2002 rates for services furnished on or after October 1, 2001.

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

The *effective date* for this PM is October 1, 2001.

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

These instructions should be implemented within your current operating budget.

This PM may be discarded after October 1, 2002.

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