



## Outpatient Services for Hospice Patients: New Edit

<b>Related CR Release Date:</b> December 22, 2025	<b>MLN Matters Number:</b> MM14219 Revised
<b>Effective Date:</b> April 1, 2026	<b>Related Change Request (CR) Number:</b> CR 14219
<b>Implementation Date:</b> April 6, 2026	<b>Related CR Transmittal Numbers:</b> <a href="#">R13446OTN</a> & <a href="#">R13560OTN</a>
<b>Related CR Title:</b> Editing for Outpatient Services Provided to Hospice Enrollees	

**What's Changed?** We made no substantive changes to this article other than to update the CR release date, CR link, and transmittal numbers.

### Affected Providers

- Hospitals
- Hospices
- Other providers billing Medicare Administrative Contractors (MACs) for outpatient services

### Action Needed

Make sure your billing staff knows:

- New systems' edits will compare primary diagnosis codes on hospital and hospice claims for Medicare hospice patients to prevent duplicate payments
- How to properly use condition code 07

## Background

The Office of Inspector General (OIG) audited Medicare Part B claims for outpatient services acute care hospitals provide to hospice patients. The OIG found that Medicare improperly paid an estimated \$190 million over 5 years to these hospitals for outpatient services related to the hospice patient's terminal illness and related conditions. We already cover these services as part of the hospice per-diem payments. Hospices should either directly provide these services or provide under arrangements with acute care hospitals. Acute care hospitals have improperly billed using condition code 07 on outpatient claims, indicating the outpatient services weren't related to the patients' terminal illnesses and related conditions.

## Key Updates

We're enhancing the current systems' edits to help reduce improper payments for outpatient services provided by acute care hospitals to hospice patients. We created a new edit to automatically compare the outpatient claim's primary diagnosis codes with the hospice claim's primary diagnosis codes by doing an exact diagnosis match. This edit will deny hospital inpatient and outpatient claims when there's a hospice claim for the same Medicare patient within the same covered period with condition code 07 or modifier GW with the same primary diagnosis.

## More Information

We issued CR 14219 to your MAC as the official instruction for this change. For more information, find your [MAC's website](#).

## Document History

Date of Change	Description
December 23, 2025	We made no substantive changes to this article other than to update the CR release date, CR link, and transmittal numbers.
November 21, 2025	Initial article released.

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