



<b>ISSUE DATE</b> December 31, 2015	<b>EFFECTIVE DATE</b> January 1, 2016	<b>NUMBER</b> 06-15-02, 09-15-40, 31-15-41
<b>SUBJECT</b>  Hospice Two-Tiered Routine Home Care and Service Intensity Add-On Payments		<b>BY</b>   Leesa M. Allen, Deputy Secretary Office of Medical Assistance Programs

**IMPORTANT REMINDER:** All providers (including all associated service locations - 13 digits) who enrolled on or before **March 25, 2011** must revalidate their enrollment information no later than **March 24, 2016**. New enrollment application including all revalidation requirements may be found at [http://www.dhs.pa.gov/provider/promise/enrollmentinformation/S\\_001994](http://www.dhs.pa.gov/provider/promise/enrollmentinformation/S_001994). Please send in your application(s) as soon as possible.

**PURPOSE:**

The purpose of this bulletin is to advise hospice providers that the Department of Human Services (Department) will make a two-tiered provider specific payment for routine home care (RHC) services, and a new provider specific service intensity add-on (SIA) payment, effective with dates of service on and after January 1, 2016.

**SCOPE:**

This bulletin applies to providers enrolled in the Medical Assistance (MA) Program who render hospice services to MA beneficiaries under the fee-for-service (FFS) delivery system.

**BACKGROUND:**

Section 1902(a)(13)(B) of the Social Security Act (Act) requires the state's Medicaid State Plan to provide for payment for hospice care in amounts no lower than the amounts, using the same methodology established by Medicare, which are calculated annually as authorized by Section 1814(i)(1)(C)(ii) of the Act, meaning, the state must apply the Medicare payment rate methodology in setting its Medicaid payment rates for hospice care. The Centers for Medicare and Medicaid Services (CMS) informs the states annually of the Medicare methods for establishing rates, and the Department calculates and notifies the hospice providers of their specific provider rates via letter.

**COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:**

The appropriate toll free number for your provider type

Visit the Office of Medical Assistance Programs Web site at  
<http://www.dhs.pa.gov/provider/healthcaremedicalassistance/index.htm>

## **DISCUSSION:**

On August 6, 2015, CMS published final rule CMS-1629-F, titled "Medicare Program; FY 2016 Hospice Wage Index and Payment Rate Update and Hospice Reporting Requirements", which implements a two-tiered provider specific payment methodology for RHC payments and a new provider specific SIA payment for hospice services. The final rule may be viewed by accessing the following website link: <http://www.gpo.gov/fdsys/pkg/FR-2015-08-06/pdf/2015-19033.pdf>.

As this new Medicare payment rate methodology takes effect January 1, 2016, the Department will apply the new Medicare payment methodology and pay a two-tiered provider specific rate for RHC services and a provider specific rate for SIA services, effective with dates of service on and after January 1, 2016. The Department will pay a higher provider specific rate for the first 60-days and a lower provider specific rate for days 61 and beyond of hospice RHC services.

The final rule makes provisions for payment of RHC services in instances when a beneficiary revokes their election of or is discharged from hospice care and later re-elects hospice care. When a beneficiary revokes their election of or is discharged from hospice care and then re-elects hospice services within 60 days from the date of revocation or discharge, the hospice RHC day count resumes from where it was at revocation or discharge and the Department will pay the higher rate RHC services up to 60 days. When a beneficiary revokes their election of or is discharged from hospice care and then re-elects hospice services after 61 days or more from the date of revocation or discharge, the hospice RHC day count begins at day one and the Department will pay the higher rate RHC services up to 60 days.

As noted by CMS in its final rule, the calculation of hospice days includes all hospice care service days that occurred prior to January 1, 2016, even though the two-tiered RHC payment rates are not effective until dates of service on and after January 1, 2016.

The Department will also pay a provider specific SIA rate, based on the continuous home care payment methodology for hospice services for direct care provided to MA beneficiaries when provided by a registered nurse (RN) or social worker (SW) during the last seven days of the beneficiary's life, up to four hours a day, when the following criteria are met:

- The day of care is an RHC day;
- The day occurs during the last 7 days of life;
- The patient's discharge is due to death; and
- Direct care is provided by an RN or SW (there is no payment for phone calls or tele monitoring.)

## **PROCEDURE:**

The Department will calculate the beneficiary's hospice day count based on the total number of days the beneficiary receives hospice care, separated by no longer than a 60 day

gap (revocation or discharge) in hospice care regardless of level of care. This includes hospice days that occurred prior to January 1, 2016.

The Department will pay hospice RHC services under procedure code T2042 with a U9 modifier for days 1 through 60 and at the lower rate for RHC services days 61 and beyond under procedure code T2042 with no modifier.

The Department will pay hospice SIA services for visits conducted by a RN, using procedure code G0299, or a SW using procedure code G0155, any time in the last seven days of a hospice patient’s life, for up to four hours a day.

Effective with dates of service on or after January 1, 2016, the Department will pay hospice providers for RHC and SIA as follows:

Procedure Code	Procedure Code Description	Provider Type	Provider Specialty	Place of Service	Pricing Modifier	MA Rate	Limits
T2042	Hospice routine home care; per diem	06	060	12,31,32, 34,54	U9	Provider Specific Rate	First 60 days
T2042	Hospice routine home care; per diem	06	060	12,31,32, 34,54	N/A	Provider Specific Rate	Day 61 and beyond
G0155	Services of Clinical Social Worker in home health or hospice settings, each 15 minutes	06	060	12,31,32, 34,54	N/A	Provider Specific Rate	Up to 16 Units of Service (4 hours) per day during the last 7 days of life (combined total of G0155 and G0299)  A unit of service equals 15 minutes.
G0299	Services of skilled nurse continuous home care: RN	06	060	12,31,32, 34,54	N/A	Provider Specific Rate	Up to 16 Units of Service (4 hours) per day during the last 7 days of life (combined total of G0155 and G0299)  A unit of service equals 15 minutes.

Hospice providers are able to “span bill”, i.e., bill for the same service provided on consecutive days by entering the first day of the service in the “From” column and the last day of service in the “To” column on the CMS 1500 claim form. When a hospice provider submits a “span bill” for RHC services that includes the 60<sup>th</sup> and 61<sup>st</sup> days of service, the Department will deny the claim in its entirety. Hospice providers that seek payment from the Department

for consecutive RHC services that include the 60<sup>th</sup> and 61<sup>st</sup> days of service, for which the hospice provider will receive different payment rates, must submit the RHC services using separate claim lines for the dates of RHC services on the CMS 1500 claim form.