



## Chapter 18

# Medicaid Provider Manual

**February 2011**

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## 18.1 DESCRIPTION

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Hospice care is care and services provided to a terminally ill individual by a hospice program in home, outpatient and inpatient settings. The eligible individual must voluntarily elect hospice care in lieu of Medicaid services. Providers of hospice services shall meet applicable State and Federal licensing and the certification by Medicare to provide hospice services. Providers of hospice services shall enter into a contractual agreement with the State Medicaid agency. The hospice shall retain professional management responsibility for services related to the terminal illness and shall ensure that they are furnished in a safe and effective manner by persons qualified to perform services and in accordance with a plan of care.

## 18.2 AMOUNT, DURATION AND SCOPE

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**a) Hospice services include the following:**

- Nursing care and services by or under the supervision of a registered nurse;
- Medical social services provided by a qualified social worker under the direction of a physician;
- Physician services provided by physician employees of the hospice including physician members of the interdisciplinary team;
- Counseling services available to both the client and the family including dietary, spiritual and any other counseling services while the client is enrolled in the hospice program, as well as bereavement counseling provided after the client's death;
- Physical therapy services, occupational therapy services and speech-language pathology services;
- Home health aide and homemaker services to meet the needs of the client; Medicines and biologicals, provided as needed for the palliation and management of the terminal illness and related conditions; and
- Inpatient care for pain control and symptom management provided in a participating Medicaid facility.

**b) Medicaid payments may be made for hospice and related services provided by:**

- The designated hospice;
- Another hospice under arrangements made by the designated hospice; and
- The individual's attending physician if that physician is not an employee of the designated hospice or receiving compensation from the hospice for services to the individual.

**c) Medicaid payments may be made for other Medicaid covered services unrelated to the terminal condition for which hospice care was elected.**

### 18.3 EXCLUSIONS

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An individual who elects hospice services shall waive all rights to Medicaid covered services related to the treatment of the terminal condition or a condition related to the terminal condition for which hospice care was elected. Also waived for Medicaid coverage of services is treatment that is equivalent to hospice care and provided by providers other than selected hospice providers.

## 18.4 LIMITATIONS

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**a)** Hospice care shall be provided to eligible applicants and clients of medical assistance who, in lieu of Medicaid services, voluntarily elect hospice care for the individual's terminal illness or a related condition or that are duplicative of hospice services. All of the following conditions shall be met:

- A written certification of terminal illness is obtained by the hospice, signed by the hospice physician and the individual's attending physician;
- The client or a representative voluntarily elects to participate in the Medicaid hospice program and signs the appropriate Hospice form electing the service; and
- Notification of hospice election is required by Medicaid. See 18.5 Authorization.

**b)** Medicaid follows the Medicare requirement that hospice care must be elected by the individual or representative. Hospice care shall be initially elected for two (2) periods of ninety (90) days each. If additional hospice is required, see 18.5 Authorization. Written hospice election must be maintained by the hospice provider in the individual's medical records.

Individuals electing hospice care who are eligible for both Medicare and Medicaid shall have their hospice election periods counted concurrently. Individuals who have private insurance coverage for hospice care shall utilize that resource before Medicaid coverage.

## 18.5 AUTHORIZATION

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Authorization for hospice services requires (1) the hospice's election statement signed by the Medicaid recipient or representative, (2) the certification of terminal illness that meets all Medicare requirements, and (3) an 1144 medical authorization form signed either the hospice physician or the recipient's physician. See 18.5.5

### 18.5.1 Election Statement

An eligible individual who elects to receive hospice care shall file an election statement with the hospice. A representative may also file an election statement on behalf of the eligible individual.

An individual or representative may designate an effective date for the election of hospice care beginning with the first day of hospice care but no earlier than the date the election is made.

An election to receive hospice care shall be considered to continue through the initial ninety (90) days period and subsequent ninety (90) day and sixty (60) day election periods without a break in care if the individual remains in the care of the hospice and does not revoke the election of hospice care.

### 18.5.2 Revocation of Election

An individual or representative may revoke an election of care at any time during an election period. The individual or representative shall file a signed statement with the hospice that revokes hospice care and the effective date of the revocation. The individual or representative may at any time elect to again receive hospice care for any other hospice election period the individual is eligible to receive.

### 18.5.3 Plan of Care

A written Plan of Care shall be established and maintained for each individual admitted to a hospice program and the care provided to an individual shall be in accordance with the plan. The plan shall be established by the attending physician, medical director or physician designee and interdisciplinary group prior to providing care. The plan shall be reviewed and updated by the attending physician, the medical director and the interdisciplinary group at intervals, as specified in the plan. The plan shall include all of the following:

- Assessment of the individual's needs;

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- Identification of the services including the management of discomfort and symptom relief; and A detailed statement of the scope and frequency of services needed to meet the patient's and the family's needs.

**18.5.4 Recertification**

Additional days of hospice care beyond the two hundred ten (210) days stipulated may be allowed if the personal care or hospice physician recertifies the individual to be terminally ill.

**18.5.5 Notification of Hospice Election and Revocation**

**a) Notification of Hospice Election for Routine Home Care Provided in the Home Setting**  
This notification requirement applies to all Medicaid clients, including individuals dually eligible for Medicare and Medicaid and individuals with private health insurance.

- Hospice providers must complete an 1144 form (Request for Medical Authorization) paying special attention to the following:

**1)** In the block "Medicare Coverage": Check "Yes" if the individual is covered by Medicare;

**2)** In the block "Currently at": Check "Home"

**3)** In the section "Diagnosis": List the diagnosis(es) applicable to the terminal illness.

**4)** In the sections "Service/Description": Enter "Hospice routine home care" and the Revenue code for home care.

**5)** In the block "Physician's Name": Print the name of the primary physician. (If the physician is a hospice employee/contractor, state this in the "Justification" section.)

**6)** In the "Supplier" blocks: Print the Hospice's name, contact name, telephone number, fax number and Medicaid provider number. Also complete the supplier signature and date of signature fields.

- Hospice Providers must attach a copy of the hospice election form.
- Hospice providers must attach a copy of the physician certification form
- Submit the above mentioned forms by mail or facsimile to the Fiscal Agent. See Appendix 1 for the address information.
- Notification must be provided to the MQD within two (2) weeks of the date of the hospice election.



**b) Notification that Patient is No Longer Receiving Hospice Home Care**

- The Hospice provider should submit a copy of the form signed by the patient when he/she revokes hospice care to the Fiscal Agent by mail or facsimile (see Appendix 1 for the address and phone number). The patient's name and date of revocation must be legible. Please provide the individual's Medicaid ID number and circle the number.
- Notification must be provided to the MQD within two (2) weeks of the date of the hospice revocation.

**c) Notification of Hospice Election**

When Hospice Services are Provided in Nursing Facilities (NFs) or patients residing in a Nursing Facility (NF) at the time of hospice election and whose NF stays are covered by Medicaid and who are NOT eligible for the Medicare Skilled Nursing Facility (SNF) 100 day benefit:

- Complete an 1147a form and pay special attention to the accurate completion of:
  - 1) Block 6: Print the name of the NF in which the individual resides.
  - 2) Section "Reasons": Check the block "Change in LOC"
  - 3) Block "LOC Being Requested- Effective date": Check "Hospice" and provide the date of hospice election.
  - 4) Section "Current Status": State the terminal diagnosis(es) in the "Specify Primary Diagnosis" field; for "Additional diagnosis": List diagnoses that are not related to the terminal illness.
  - 5) On the line "Document Need for Continuing LTC Services at Level of Care Being Requested": Complete ONLY if different from the name of the facility entered in Block 6.
  - 6) The physician must print his/her name and sign and date the 1147a form.
- Hospice provider must attach a copy of the hospice election.
- Hospice provider must attach a copy of the physician certification form.
- Submit this form and attachments by facsimile to the Peer Review

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Organization/Quality Review Organization (PRO/EQRO). See Appendix 1 for the fax number and address.

- Notification must be provided to the MQD within two (2) weeks of the date of the hospice election.

For a patient who elected hospice and who had been receiving hospice routine or continuous home care and whose plan of care states that he/she chooses care in a NF when the terminal illness prevents him/her from receiving care in the home setting.

- Complete the 1147 form. Pay special attention to the accurate completion of :

- 1) Block 5 “Medicare Status”: Complete this field.
- 2) Block 10.E. “Requesting”: Check Hospice.
- 3) Section XVIII “Recommendations/Discharge Plans”: Complete this section.
- 4) In Section A “Requested LOC”: State the name of the NF in which Hospice routine home care will be provided.
- 5) In Section C “Effective date of LOC”: Enter the date that the patient is entering the NF.
- 6) In Section D “Hospice Elected”: Check “Yes”.

- Providers must attach copies of the hospice election and the physician certification and submit the forms and attachments by facsimile to the PRO/EQRO. The address and phone number is in Appendix 1.

- Form 1147 approval must be obtained BEFORE entry into the NF.

d) Notification that a Patient is No Longer Receiving Hospice Home Care But Will Continue to be a Resident of the NF in Which Hospice Home Care was Provided

- Providers must complete the 1147a form as follows:

- 1) Section “Reasons(s)”: Check the block “Change in LOC”.
- 2) Section “Approved LOC on Most Current Form”: Enter the date of hospice election and check “Hospice”.
- 3) Section “LOC Being Requested – Effective Date”: Check the appropriate LOC and enter the date of hospice revocation.

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**4)** Section “Current Status”: Check “Change in LOC and check “Change(s) - Specify” and state that patient revoked hospice.

**5)** On the Line “Document Need for Continuing LTC Services at the Level of Care Requested”: Enter the Name of the NF that services will be provided only if different from Block 6, “Present address/facility”.

- Providers must attach a copy of the form the patient signs when he/she revokes hospice care. The patient’s name and date of revocation election must be legible.
- Submit the 1147a and the revocation form to the PRO/EQRO.
- Notification must be provided within two (2) weeks of the date of hospice revocation.

**e) Notification of Current Hospice Patients**

This notification requirement applies to Medicaid clients, individuals who are dually eligible for Medicare and Medicaid and individuals who have private health insurance and who are also eligible for Medicaid who have elected the hospice benefit in the following situations:

- The Hospice is unsure if it previously notified Medicaid.
- The Hospice did not previously notify Medicaid.
- For individuals receiving hospice home care, please follow the notification procedures detailed above for home care.
- For individuals in NFs, please follow the notification procedures detailed above for hospice patients residing in NFs.
- The effective date is the date of hospice election.
- Please provide this notification to the MQD or the PRO/EQRO within two (2) weeks of hospice election.

## 18.6 CLAIM SUBMITTAL

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Hospice Home Care Provided in the Home Setting is reimbursed as follows:

- For individuals covered only by Medicaid, the hospice is reimbursed at Medicare rates and should follow Medicare instructions on claims submittals.
- For individuals dually eligible for Medicare and Medicaid, Medicaid will pay applicable Medicare copayments and deductibles on a Medicare Crossover claim. Thus, NO claim should be submitted directly to Medicaid.
- For individuals with private health insurance, the hospice provider must first submit the claim to the private health insurance carrier. After payment is received, the claim can be submitted to Medicaid with the Explanation of Medical Benefits (EOMB). Medicaid payment will be the Medicare rate less the amount paid by the private health insurer.

NF Room and Board is reimbursed as follows:

- Room and Board is defined in Section 4308.2 of the State Medicaid Manual as including “performance of personal care services, including assistance in the activities of daily living, in socializing activities, administration of medication, maintaining the cleanliness of a resident’s room and supervision and assisting in the use of durable medical equipment and prescribed therapies.”
- Hospice providers (not the NF) must submit the claim form for the NF room and board.
- To expedite the processing of the room and board claim, the hospice provider must complete the UB-04 claim form as directed by Medicare and enter the information specified in the table below in the numbered form locator (FL) blocks.

### **FL Block Information to be entered**

Field 39 If patient has a cost share, enter “23” and the amount (the specific amount must be obtained from the NF)

Field 42 (Revenue Code) 659

Field 43 (Revenue Code description) ICF Room and Board Services

Field 44 (Rate) Daily hospice charge for ICF Room and Board Services. (To expedite claims processing, enter the ICF rate for the NF)

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Field 46 (Service Units) Number of NF days in the billing period

Field 47 (Total Charge) Daily rate multiplied by number of NF days

Field 50A If Medicare eligible, enter "Medicare"

Field 54 If Medicare eligible, enter "0.00"

Field 84 (Remarks) If Medicare eligible, state "Services not a Medicare benefit"

State "patient in NF (name); (Provider number of the NF)"

- Medicaid payment will be at 95 % of the Intermediate Care Facility (ICF) per diem rate for the named NF minus applicable cost share.

## 18.7 PAYMENT

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Payments shall be available to Medicaid certified providers for hospice care. Payment for hospice care shall be made in the same amounts and using the same methodology as the Medicare program. The following categories shall be utilized to determine payment:

- Routine home care day. A routine home care day is a day on which an individual who has elected to receive hospice care is at home and is not receiving continuous care as defined in paragraph (2) below;
- Continuous home care day. A continuous home care day is a day on which an individual who has elected to receive hospice care is not in an inpatient facility and receives hospice care consisting predominantly of nursing care on a continuous basis at home. Home health aide or homemaker services or both may also be provided on a continuous basis. Continuous home care is furnished during periods of crisis and only as necessary to maintain the terminally ill patient at home. A minimum of eight (8) hours of care per day shall be required to qualify for the continuous home care rate and may be paid at an hourly rate;
- Inpatient respite care day. An inpatient respite care day is a day on which the individual who has elected hospice care receives care in an approved facility on a short-term basis for respite. Respite care may not be reimbursed for more than five (5) consecutive days at a time; and
- General inpatient care day. A general inpatient care day is a day on which an individual who has elected hospice care receives general inpatient care in an inpatient facility for pain control or acute or chronic symptom management that cannot be managed in other settings.