



Required Workaround for Hospices Submitting Routine Home Care (RHC) and Service Intensity Add-On (SIA) Payments at the End of Life

MLN Matters Number: SE17014

Related Change Request (CR) Number: N/A

Article Release Date: May 24, 2017

Effective Date: August 21, 2017

Related CR Transmittal Number: N/A

Implementation Date: August 21, 2017

PROVIDER TYPE AFFECTED

This MLN Matters Article is intended for Hospices that submit claims to Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

PROVIDER ACTION NEEDED

Special Edition (SE) article 17014 corrects two errors with regard to hospice payments by Medicare that could result in overpayments. It also provides hospices with a workaround to deploy when submitting certain claims to ensure proper payment. Make sure your billing staffs are aware of the changes associated with these corrections in order to avoid possible overpayments.

BACKGROUND

As of January 1, 2016, hospice payments were revised to apply a two-tiered payment rate for Routine Home Care (RHC) services and to make Service Intensity Add-on (SIA) payments at the end of life. Since then, Medicare discovered and corrected various payment errors associated with these policies.

In February 2017, two additional errors were discovered:

- 1) If the prior days used are greater than 99, Medicare systems are calculating an incorrect payment. Medicare will correct its systems to eliminate this error on August 21, 2017.
- 2) RHC visits are overpaid when there is a transfer within the benefit period because the days prior to the transfer are not being recognized. Medicare will correct its systems in a future release, but a workaround allows claims to be adjusted in the interim.

While Medicare would usually mass-adjust claims to correct similar payment errors, it is not

feasible in this case. The claims cannot be identified from information in your MAC's claims history. Payment errors depend on information only available in the Medicare's Common Working File (CWF). Systematic correction would require adjusting nearly all hospice claims processed in 2016, so the claims process through CWF again. On many claims, this would not result in payment changes. This could have a disruptive effect on accounting at all hospices nationwide. The hospices themselves have the best available information about which claims need to be adjusted.

Required Action: Hospices should now submit adjustments to claims with outstanding SIA and RHC payment errors, except for those where the prior benefit days are greater than 99. Hospices can identify adjustments to be made by reviewing the CWF hospice benefit file to see if the benefit days used on prior election periods total more than 99 with no 60-day gap in between periods. Hospices may adjust claims with greater than 99 prior days after August 21, 2017.

Note: Please contact your MAC if you need guidance on how to access the CWF hospice benefit file.

Hospices should apply a workaround when submitting adjustments to claims where there is a transfer in the benefit period. The hospice should enter the "Start Date 1" in the current benefit period as the admission date on their claim, rather than their own admission date. This will allow all the days in the period to be counted in the RHC payment calculation.

To facilitate processing the adjustments, hospices should add special coding to their adjustment claims. Append condition code D9 and submit a message in the Remarks section. The message should read, "Adjust due to RHC errors SE17014."

ADDITIONAL INFORMATION

If you have any questions, please contact your MAC at their toll-free number. That number is available at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Contractor-Directory-Interactive-Map/>.

DOCUMENT HISTORY

Date of Change	Description
May 24, 2017	Initial article released.

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