

Jean S. Phillips, DMAP Deputy Administrator

Authorized Signature
Number: DMAP-IM-09-122

Issue Date: 09/28/2009

Topic: Medical Benefits

Subject: Provider announcement: Revised wage index effective retroactively to October 1, 2008

Applies to (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> All DHS employees | <input type="checkbox"/> County Mental Health Directors |
| <input type="checkbox"/> Area Agencies on Aging | <input type="checkbox"/> Health Services |
| <input type="checkbox"/> Children, Adults and Families | <input type="checkbox"/> Seniors and People with Disabilities |
| <input type="checkbox"/> County DD Program Managers | <input checked="" type="checkbox"/> Other (please specify): DHS staff and others identified on the SPD, CAF, AMH and DMAP transmittal lists |

Message:

This week, DMAP will mail the attached announcement to all hospice services providers to inform them of the following:

- Hospice providers may have more reimbursement due them.
- What providers must do as a result of the revised hospice wage index on Oregon Medicaid hospice payment rates for FFY 2009 to have their claims reconsidered for more reimbursement;
- Medicaid rates have not changed as a result of the revised wage index;
- This revised wage index should be applied to the portion of each Medicaid hospice rate category subject to the wage index;
- The revised wage index is retroactive to October 1, 2008.
- Revised hospice wage index is found online @:
<http://www.dhs.state.or.us/policy/healthplan/guides/hospice/main.html>

If you have any questions about this information, contact:

Contact(s):	Judith VanOsdal, DMAP Policy Analyst		
Phone:	503-945-6743	Fax:	503-947-1119
E-mail:	judith.vanosdal@state.or.us		



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September 28, 2009

To: DMAP Hospice Service Providers

From: Jean Phillips, DMAP Deputy Administrator

Subject: Oregon Medicaid Hospice Rates - Revised Wage Index on Federal Fiscal Year (FFY) 2009



Hospice providers could receive additional revenue!

In collaboration with the Oregon Hospice Association, Inc. and several Oregon Hospice providers, the Division of Medical Assistance Programs (DMAP) is sending this letter to describe the steps you must take to have your claims (submitted for services rendered from October 1, 2008 through September 30, 2009) reconsidered for further reimbursement. This is due to federal revisions to the hospice wage index on Oregon Medicaid hospice payment rates for Federal Fiscal Year 2009 (that began October 1, 2008). See revised rates attached or online @

<http://www.dhs.state.or.us/policy/healthplan/guides/hospice/main.html>

Background

The American Recovery and Reinvestment Tax Act of 2009 required revisions to the Hospice wage index published in the Federal Register on August 8, 2008. The index has been revised to eliminate a reduction for the budget neutrality adjustment factor (BNAF) which was being phased-out over three years, beginning in FY 2009.

The wage index is applied to both Medicare and Medicaid hospice rates. The new wage index does not change Medicaid rates and it should only be applied to the portion of each Medicaid hospice rate category that is subject to the wage index. This required State Medicaid agencies to recalculate their hospice rates. The revised wage index is retroactive to October 1, 2008, and the Oregon Medicaid hospice rates are recalculated accordingly.

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Claims adjustments

DMAP cannot implement an automatic mass adjustment for the retroactive rate change because the majority (80%) of hospice claims received are not billed correctly. The claims either have an incorrect Cost-Based Statistical Area (CBSA) code, or are billed at DMAP rates instead of the provider's usual charge or the rate based upon the geographic location in which the care is furnished, whichever is lower. Therefore, an automatic mass adjustment will either continue to "zero pay" or not pay the increased rate.

Depending on the status of your specific claims, you will need to implement the following:

Please Note: This procedure is different from Medicare.

1. For zero paid claims with incorrect CBSA codes:

- ✓ Correct the CBSA code (for example, if the CBSA code is 38, enter 38.00). You may not receive more reimbursement because of the revised index, but you still must correct the CBSA code in order to be paid.
- ✓ Compare claims submitted from October 1, 2008 through September 30, 2009. Confirm that the claim is at the usual charge or rate based upon the geographic location in which the care is furnished, whichever is lower.
- ✓ Determine from the new calculation if you would receive further reimbursement, if so, adjust the claim.

2. For claims billed at DMAP rates:

- ✓ Compare claims submitted from October 1, 2008 through September 30, 2009. Confirm that the claim is at the usual charge or rate based upon the geographic location in which the care is furnished, whichever is lower.
- ✓ Determine from the new calculation if the provider would receive further reimbursement; if yes, adjust the claim.

3. For claims billed correctly:

- ✓ Determine from the new calculation if the provider would receive further reimbursement; if yes, adjust the claim.

The Hospice Rates are found in the Hospice Services supplemental information on the OHP Web site at www.dhs.state.or.us/policy/healthplan/guides/hospice/main.html.

October 1, 2009 Annual revisions

The annual change in Medicaid Hospice payment rates for Federal Fiscal Year 2010 will be effective on October 1, 2009 and will be described in a separate memo.

Thank you for your service to Oregon Health Plan clients.

Questions?

If you have questions about this information, please contact one of the following:

- For claims, billing, and adjustment questions: DMAP Provider Services, 800-336-6016 or e-mail dmap.providerservices@state.or.us
- For policy questions: Judith Van Osdol, DMAP Policy Analyst, 503-945-6743 or e-mail judith.vanosdol@state.or.us

Attachment: Hospice wage index with federal revisions on Oregon Medicaid hospice payment rates for Federal Fiscal Year 2009

Hospice rates

Effective October 1, 2008-*revised*. Follow CMS guidelines.

When billing for hospice services, the provider must bill the usual charge or the rate based upon the geographic location in which the care is furnished, whichever is lower.

<i>AREA (per Federal Register)</i>		<i>RATES</i>				
<i>Area</i>	<i>CBSA* Code</i>	<i>Routine Home Care (Rev 651, T2042)</i>	<i>Per Diem Inpatient Respite Care (Rev 655, T2044)</i>	<i>General Inpatient Care (Rev 656, T2045)</i>	<i>Per Hour In-Home Respite Care (Rev 659)</i>	<i>Continuous Home Care (Rev 652, T2043)</i>
Bend	13460	\$148.85	\$158.74	\$657.15	\$155.37	\$36.16
Includes Deschutes County		<u>156.20</u>	<u>166.16</u>	<u>689.10</u>	<u>163.04</u>	<u>37.96</u>
Corvallis	18700	\$156.82	\$165.26	\$690.12	\$163.68	\$38.10
Includes Benton County		<u>156.38</u>	<u>166.31</u>	<u>689.82</u>	<u>163.22</u>	<u>38.00</u>
Eugene-Springfield	21660	\$150.17	\$159.87	\$662.61	\$156.76	\$36.48
Includes Lane County		<u>156.10</u>	<u>166.07</u>	<u>688.66</u>	<u>162.95</u>	<u>37.93</u>
Medford	32780	\$149.60	\$159.38	\$660.23	\$156.15	\$36.34
Includes Jackson County		<u>149.80</u>	<u>160.68</u>	<u>662.60</u>	<u>156.36</u>	<u>36.40</u>
Portland-Beaverton	38900	\$155.53	\$164.46	\$684.77	\$162.35	\$37.78
Includes Clackamas, Columbia, Multnomah, Washington & Yamhill Counties		<u>161.91</u>	<u>171.06</u>	<u>712.73</u>	<u>169.01</u>	<u>39.35</u>
Salem	41420	\$145.83	\$156.15	\$644.65	\$152.22	\$35.43
Includes Marion & Polk Counties		<u>152.40</u>	<u>162.90</u>	<u>673.36</u>	<u>159.08</u>	<u>37.03</u>
All Other Areas	38	\$139.04	\$150.33	\$616.52	\$145.13	\$33.77
		<u>145.56</u>	<u>157.05</u>	<u>645.06</u>	<u>151.94</u>	<u>35.37</u>