

## Eli's Hospice Insider

### Hospice: Beware Stealth Underpayments When Hospice Payment Reform Launches

#### Ring in the New Year with tighter billing oversight.

If you're not paying attention to billing details in 2016, you could be costing yourself significant reimbursement and not even know it.

Under hospice payment reform finalized in the 2016 payment rule, Medicare will pay hospices routine home care rates in two tiers: higher payment (\$186.84) for days 1-60, and lower payment (\$146.83) for days 61 and higher. That compares to the current RHC rate of \$161.89 regardless of length of stay.

Medicare will also pay a Service Intensity Add-on on top of the RHC rate when hospices furnish RN and social work visits in the last seven days of life. Medicare will make SIA payments in 15-minute increments up to four hours per day at the Continuous Home Care hourly rate, which is \$39.37 for 2016.

**Good:** The **Centers for Medicare & Medicaid Services** has confirmed that the Medicare claims system will automatically award the SIA payments when the relevant visits occur in the last seven days of life. Hospices don't have to do anything extra to claim the SIA payments. That's true even when the SIA time period spans two claims, a CMS official said in the last Open Door Forum for hospice providers.

**Bad:** If your SIA-qualifying visits don't make it onto your claims, you won't receive the reimbursement you're entitled to and you may not even realize it because you didn't expressly bill for those SIA visits.

"If visits are incorrectly coded, it could ... result in claim underpayments since the SIA is to be paid when claims are billed indicating the occurrence of visits in the last seven days of life," cautions billing expert **M. Aaron Little** with **BKD** in Springfield, Mo.

Underpayments may be more damaging to hospices than before, considering the reduced RHC rate under hospice payment reform, notes **Rose Kimball**, owner of billing company **Med-Care Administrative Services** in Dallas. Even with the SIA payment, "this Add-On may not be sufficient to offset care reimbursed at the lower base rate (services after the 60th day)," Kimball tells **Eli**.

When the new payment system hits Jan. 1, hospices must be diligent in making sure their claims are accurate and they obtain the reimbursement they deserve, experts advise (see related story, p. 1).

Note: See the 2016 final rule at [www.gpo.gov/fdsys/pkg/FR-2015-08-06/pdf/2015-19033.pdf](http://www.gpo.gov/fdsys/pkg/FR-2015-08-06/pdf/2015-19033.pdf) and an MLN Matters article about the billing changes at [www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM9201.pdf](http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM9201.pdf).