

Eli's Hospice Insider

Medical Review: Scrutinize Charges Unrelated To Hospice Terminal Diagnosis -- Before Reviewers Do

Use 3 tips to survive the feds' new focus.

The cost of caring for your hospice patients may increase under a coming crackdown on Medicare charges unrelated to the terminal diagnosis.

Background: Under Medicare regulations, hospices must cover all the Medicare expenses of their patients under their per diem payment, except those unrelated to the terminal diagnosis. At the **National Association for Home Care & Hospice's** March on Washington conference in March, a **Centers for Medicare & Medicaid Services** official raised a warning flag about this issue.

"A terminal diagnosis is not one ICD-9 code," CMS's **Lori Anderson** emphasized to conference attendees. At the end of life, "almost everything" is related to the terminal condition. "It's the exception and not the norm if it's not related," Anderson said (see Eli's HCW, Vol. XX, No. 15, p. 115).

CMS is seeing cases where hospices classify anything not related to one ICD-9 code -- the patient's primary diagnosis -- as unrelated, and thus not subject to payment coverage by the hospice rate, Anderson explained. CMS and **HHS Office of Inspector General** are seeing this problem among nursing home patients, in particular, she said.

Watch out: "Hospices should be paying close attention to the issue of related/unrelated," urges **Judi Lund Person** with the **National Hospice and Palliative Care Organization**.

"The related/not related issue is huge," warns consultant **Heather Wilson** with **Weatherbee Resources** in Hyannis, Mass.

Remember: The hospice per diem is supposed to cover Medicare charges including hospital and nursing home inpatient stays, medications, and durable medical equipment. Hospital stays can especially run up a hefty bill for a patient. This "is an issue that might catch hospices off guard," Wilson warns.

The related/unrelated determination can be confusing for hospices to make. For one, Medicare has provided little guidance on the topic, leaving it up to hospices' judgment. The Medicare Policy Manual, Claims Manual, and CMS hospice questions-and-answers contain no definition of what constitutes related or unrelated charges.

"The whole related/not related issue is very challenging for hospices," Wilson tells **Eli**. Determining whether charges are related can be especially confusing when patients have a catch-all diagnosis such as Failure to Thrive (783.41) or Debility Unspecified (799.3). In those cases, "it is difficult to make a case for items/services not being related to the terminal illness," she says.

Hospice may just need more education on the issue, suggests Chicago-based regulatory consultant **Rebecca Friedman Zuber**. "The obvious example is orthopedic issues that develop in cancer patients," Zuber points out. "These very often occur as a result of metastasis."

Rule of thumb: "The hospice provider should be constantly asking the question about whether a service or item ... could be considered related to the terminal illness," Person suggests. "If there is a question, it probably is."

Expect more guidance and reviews on this issue from CMS, the OIG, and other authorities in the coming months, experts say. "At this point, awareness is the most important key," Person says.

These Pointers Help You Get Ready For Microscope

In the meantime, consider these tips to prepare yourself for the forthcoming scrutiny:

1. **Prioritize.** You can't just be casual about how you decide what's related to the terminal diagnosis. "Hospices need to be really careful in how they make related/notrelated determinations," Wilson counsels.
2. **Beef up documentation for unrelated services.** "Ensure documentation supports the decision" you make, Wilson recommends. This is particularly important for a determination that something is not related.
3. **Shoulder your load.** Make sure you are "assuming responsibility for everything that could reasonably be considered related to the terminal diagnosis," Wilson urges.

Shirking your related expenses could result in getting hit with whopping charges down the line, after medical review from your HHH MAC or Recovery Audit Contractor (see related story, [this page](#)). But even worse, it could wreck your compliance record and queue you up for increased survey and other scrutiny.