

Eli's Hospice Insider

Reimbursement: Use This Info To Make Your Judgement Call On Whether To Reprocess Hospice Claims

Will the money from adjusting wrongly paid claims be worth the effort?

It may not be your fault that you've been incorrectly paid for claims reaching back to hospice payment reform's inception in January 2016. But it will be your responsibility to adjust those claims, Medicare says.

The only claims processing problems left for paying high versus low Routine Home Care rates occur when there are more than 100 days in a beneficiary's prior benefit period, a **Centers for Medicare & Medicaid Services** official explained in the May 3 Open Door Forum for hospice and home care providers. There's also a problem when there are transfers in the benefit period.

Good news: That means that, except for those patients with 100-plus days in prior periods or transfers in the period, hospices can submit claims for RHC corrections now, the CMS staffer told forum attendees.

For adjustments that are beyond the timely filing period, CMS will instruct the HHH Medicare Administrative Contractor to allow exceptions because Medicare program problems caused the delay, the CMS source said.

Bad news: But, it will be up to you to submit the adjustments □ CMS won't automatically correct claims paid in error, another CMS official confirmed in the question-and-answer portion of the call.

Similarly, CMS has resolved the payment problems related to Service Intensity Add-ons, the CMS official noted in response to a caller. But hospices will have to submit their own claims for adjustment; CMS won't automatically correct them.

In a transmittal and an MLN Matters article released May 24, CMS spells out the steps for making the adjustments. "Hospices should now submit adjustments to claims with outstanding [Service Intensity Add-on] and [Routine Home Care] payment errors, except for those where the prior benefit days are greater than 99." CMS plans to fix the 99-day problem later so that HHAs can submit adjustments for those starting Aug. 21.

While the problem when there is a transfer in the benefit period still exists, hospices can implement a workaround for that glitch. "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," CMS explains in the article.

Do this: For all payment reform adjustments, "hospices should add special coding to their adjustment claims," CMS instructs. "Append condition code D9 and submit a message in the Remarks section. The message should read, 'Adjust due to RHC errors SE17014.'"

Hospice providers have voiced their displeasure about being responsible for the claims corrections in past forums. "Most hospice providers were hoping that they would not have to do claims adjustments, but that there would a global adjustment that CMS could offer that would correct the over and underpayment issues," **Judi Lund Person** with the **National Hospice & Palliative Care Organization** tells **Eli**.

"I'm all for the two-tiered payment rate for Routine Home Care (RHC) services and the Service Intensity Add-on (SIA) payments at the end of life," says **Beth Noyce** with **Noyce Consulting** in Salt Lake City. "It's unfortunate that hospice agencies must pay the price of correcting CMS's payment errors, but it's not surprising."

The Problems

When the glitches first became apparent soon after the reform's implementation in January 2016, CMS told hospices that it would correct the problems and make adjustments, says **The Health Group** in Morgantown, W. Va. Accordingly, "many hospices have not tracked overpayments/underpayments by patient and/or claim," the consulting firm says in its newsletter.

"CMS created this problem because at the beginning of 2016 they had not developed the software to permit proper payment," criticizes financial expert **Tom Boyd** with **Simione Healthcare Consultants** in Rohnert Park, Calif. "They did not have the resources — time, money, knowledge, priority — to fix it last year, and their lack of resources continues to exist," Boyd tells **Eli**.

"The situation currently faced by hospices is not one of their own doing, but rather caused entirely by CMS system expectations exceeding reality," The Health Group grouses.

In previous forums, a CMS official explained that the only way to reprocess the erroneously paid claims would be to reprocess nearly every claim paid since reform took effect, which isn't feasible.

Now hospices must decide whether to act on the errors. "Having hospices resubmit so many claims sounds like more work on both ends that may cause more unforeseen problems," Noyce worries.

Those problems could include claims impacting another hospice's claims, and adjustments to cap liabilities for the years at issue, The Health Group suggests in its analysis.

"I would pass on the project unless one or more of the following" applies, Boyd advises:

1. The hospice has been tracking the affected claims.
2. The hospice is large, and thus the reimbursement at issue is substantial.
3. The hospice has a good billing system to make it possible to identify the past claims that were affected.

Slow your roll: There are still some unanswered questions about this issue, notes the **National Association for Home Care & Hospice** in its member newsletter. A big one is whether adjustments are mandatory.

The Health Group calls for CMS to implement a streamlined adjustment process for these claims, such as permitting hospices "to submit some form of a roster correction to settle obligations in lump sum instead of on a claim-by-claim basis," it says. "If, as CMS claims, the hospices have better information, such a roster billing should be acceptable."

Hospices that are on the fence, or that don't have a lot of reimbursement to recover, may want to see how these issues develop before taking action, experts say.

And, "I hope CMS has tested its workaround more thoroughly than it tested its initial ability to pay RHC two-tiered and SIA payments," Noyce adds.

Note: See the MLN Matters article at

www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/SE17014.pdf.