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# Program Memorandum Intermediaries

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Department of Health and  
Human Services (DHHS)  
HEALTH CARE FINANCING  
ADMINISTRATION (HCFA)

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Transmittal A-00-38

Date: JULY 13, 2000

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## CHANGE REQUEST 1235

**SUBJECT: Change in Hospice Payment Rates, Update to the Hospice Cap, Revised Hospice Wage Index and Hospice Pricer**

Section 1814(i)(1)(C)(ii) of the Act provides an annual increase in the payment rates for hospice care services.

Hospice payment rates for care and services furnished on or after October 1, 2000 through September 30, 2001 are increased to the following amounts. Fiscal year (FY) 2001 hospice payment rates reflect amendments made to §1814(i)(1)(C)(ii) of the Act by §4441 of the Balanced Budget Act of 1997 and by §131 of the Balanced Budget Refinement Act of 1999. Use the "From" date on the bill to determine the effective date. Payments for hospice physician services are not affected by this provision. The hospice rates applicable to the above period are:

<u>Revenue Code</u>	<u>Description</u>	<u>Rate</u>	<u>Wage Component Subject to Index</u>	<u>Unweighted Amount</u>
651	Routine Home Care	\$101.84	\$ 69.98	\$ 31.87
652	Continuous Home Care full rate = 24 hours of care/\$24.77 hourly rate	\$594.41	\$408.42	\$185.99
655	Inpatient Respite Care	\$105.35	\$ 57.03	\$ 48.32
656	General Inpatient Care	\$453.04	\$289.99	\$163.05

Allow the provider to split bills if they span the effective date. Use FY 2000 rates if the provider chooses not to split the bill.

Section 1814(i)(2)(B) of the Act provides an annual increase (or decrease) in the hospice cap amount. The latest hospice cap amount for the cap year ending October 31, 2000 is \$15,916.98.

The notice announcing the FY 2001 hospice wage index will be published in the *Federal Register* in the near future. The revised wage index and rates will be incorporated in the hospice pricer which will be forwarded to the intermediaries following publication of the notice.

Inform hospice providers of these changes within 30 days.

Adjust all bills paid at previous rates to FY 2001 rates for services furnished on or after October 1, 2000.

Send the above information to all hospices in your provider file, hospice professional groups, and software support organizations.

**The *effective date* for this Program Memorandum (PM) is October 1, 2000.**

**The *implementation date* for this PM is October 1, 2000.**

**These instructions should be implemented within your current operating budget.**

**This PM may be discarded after July 1, 2001.**

**If you have any questions, contact Carol Blackford on (410) 786-5909.**