
Program Memorandum Intermediaries

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

Transmittal A-01-07

Date: JANUARY 16, 2001

CHANGE REQUEST 1504

SUBJECT: Application of Wage Index for Wichita, Kansas, Metropolitan Statistical Area (MSA) Hospice Providers

The Benefit Improvement and Protection Act of 2000 (BIPA) amended §1814(i) of the Social Security Act to stipulate that the Secretary of Health and Human Services shall use 1.0043 as the hospice wage index value for the Wichita, Kansas, MSA for calculating payments for the provision of Medicare hospice care in such area during Federal fiscal year 2000 (October 1, 1999 to September 30, 2000).

BIPA further requires that the Secretary give hospice providers an “appropriate timely lump sum payment” that reflects the difference between the previous wage index and the wage index included in this provision.

The Wichita, Kansas, MSA code is 9040 and the wage index value for Federal fiscal year 2000 was 0.9485 (*Federal Register*/Vol.64, No. 149/Wednesday, August 4, 1999/Notices). The changed (as a result of BIPA) wage index value for hospice providers in the Wichita, Kansas, MSA is 1.0043.

Intermediaries should re-calculate the payment for Medicare hospice services provided during Federal fiscal year 2000 by Medicare hospice providers in the Wichita, Kansas, MSA using the new wage index value of 1.0043. A lump sum payment reflecting the difference in the two wage index values for the time period of October 1, 1999 through September 30, 2000, should be disbursed to all Medicare hospice providers in MSA 9040 no later than April 15, 2001.

The PRICER change with the Wichita, Kansas, wage index of 1.0043 for the Federal fiscal year 2000 will be made available by HCFA effective April 1, 2001. Any claim submitted after the PRICER change goes into effect (for the time period of October 1, 1999 to September 30, 1999) for hospice services provided in Federal fiscal year 2000 by Medicare hospices in MSA 9040 should be paid using the 1.0043 wage index. Claims submitted after the PRICER changes go into effect would not be included in the lump sum payment.

This wage index change only pertains to hospice services provided in Federal fiscal year 2000, and is not to be used for hospice claims for services provided in Federal fiscal year 2001.

The effective date for this Program Memorandum (PM) is December 21, 2000.

The implementation date for this PM is April 1, 2001.

These instructions should be implemented within your current operating budget.

This PM may be discarded after April 1, 2002.

If you have any questions, contact Lynn Riley at (410) 786-1286.

HCFA-Pub. 60A