

---

# Medicare Hospice Manual

---

Department of Health &  
Human Services (DHHS)  
Centers for Medicare &  
Medicaid Services (CMS)

---

Transmittal 70

Date: NOVEMBER 10, 2003

---

| <u>HEADER SECTION NUMBERS</u>                | <u>PAGES TO INSERT</u> | <u>PAGES TO DELETE</u>                     |
|--|------------------------|--|
| Table of Contents – Chapter II<br>200 – 292  | -----<br>-----         | 2-1 – 2-2.1 (3 pp.)<br>2-3 – 2-71 (51 pp.) |
| Table of Contents – Chapter III<br>300 – 399 | -----<br>-----         | 3-1 (1 p.)<br>3-3 – 3-25 (40 pp.)          |
| Table of Contents – Chapter IV<br>401 – 411  | -----<br>-----         | 4-1 (1 p.)<br>4-3 – 4-10.1 (14 pp.)        |

## **NEW/REVISED MATERIAL--*EFFECTIVE DATE: Not Applicable***

Chapter II, Eligibility And Coverage; Chapter III, Admission and Billing Procedures; and Chapter IV, Reimbursement for Hospice Care; are being deleted and the related instructions are issued in the CMS Manual System. The tables of contents are replaced with a crosswalk from the old Hospice Manual to the related instruction in the Internet-only manual (IOM). If the material from the old Hospice Manual is no longer applicable, we indicate that it was not moved to the IOM by entering “deleted” in the crosswalk. For each included cross-reference, we provide the old manual number and the IOM number (e.g., CMS Pub. 100-1 for Medicare General Information, Eligibility and Entitlement), and the IOM chapter and section (§) numbers.

The CMS Manual System can be found at <http://www.cms.hhs.gov/manuals>

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

## CHAPTER II - ELIGIBILITY AND COVERAGE

**NOTE:** Chapter II has been moved to the new CMS Manual System. The new manual can be found at <http://www.cms.hhs.gov/manuals>. A crosswalk from the deleted manual sections to the new manual sections follows.

|   | Old §     | Pub, Chapter, & §  |
|---|-----------|--------------------|
| Eligibility and Coverage  | HSP-200   | 100-2, 9-§10       |
| Eligibility Requirements  | HSP-201   | 100-2, 9-§10       |
| Election of Hospice Care  | HSP-204   | 100-2, 9-§20.2     |
| Use of Election Periods   | HSP-204.1 | 100-2, 9-§20.2     |
| Skilled Nursing Facility (SNF) and Nursing Facilities (NFs) Residents and Dually Eligible Beneficiaries | HSP-204.2 | 100-2, 9-§20.3     |
| HMO Enrollees   | HSP-204.3 | 100-2, 9-§20.3     |
| Election, Revocation, and Change of Hospice   | HSP-210   | 100-2, 9-§20.2     |
| Requirements for Coverage   | HSP-230   | 100-2, 9-§40       |
| Covered Services  | HSP-230.1 | 100-2, 9-§40.1     |
| Core Services   | HSP-230.2 | 100-2, 9-§40.4     |
| Special Coverage Requirements   | HSP-230.3 | 100-2, 9-§40.1.5   |
|   |           |                    |
| Limitation on Liability of Beneficiary and Provider Where Medicare Claims Are Disallowed                |           |                    |
| Limitation of Liability for Hospice Claims--General   | HSP-270   | 100-4, 30-§10      |
| Applicability of Limitation of Liability to Items or Services Furnished by Hospices                     | HSP-271   | 100-4, 30-§10.3    |
| Determining Liability for Hospice Claims Under Section 1879--General                                    | HSP-272   | 100-4, 30-§20      |
| Determining Beneficiary's Liability   | HSP-272.1 | 100-4, 30-§20.1    |
| Determining Hospice Liability   | HSP-272.2 | 100-4, 30-§20.2    |
| Criteria for Presuming that Hospice Meets Limitation of Liability Requirements                          | HSP-273   | Deleted - Obsolete |
| Reevaluating Favorable Presumption  | HSP-273.1 | Deleted - Obsolete |
| Reevaluating Hospice's Qualification for Favorable Presumption for a Prior Period                       | HSP-273.2 | Deleted - Obsolete |
| Determining Denial Rates for Hospices   | HSP-273.3 | Deleted - Obsolete |
| Time Period for Calculating the Denial Rate   | HSP-273.4 | Deleted - Obsolete |
| Effect of Change in Favorable Presumption   | HSP-273.5 | Deleted - Obsolete |
| Treatment of Determinations Later Reversed  | HSP-273.6 | Deleted - Obsolete |
| Determining Whether Hospice Had Knowledge of Non-coverage of Services                                   | HSP-274   | 100-4, 30-§30      |
| Notifying Patient of Non-coverage   | HSP-274.1 | 100-4, 30-§30.1    |
| Improper Hospice Coverage Decisions   | HSP-274.2 | 100-4, 30-§30.3    |
| Establishing When Beneficiary is on Notice of Non-coverage  | HSP-275   | 100-4, 30-§40      |
| Determining Date of Notice  | HSP-275.1 | 100-4, 30-§40.1    |
| Documentation of Notice   | HSP-275.2 | 100-4, 30-§40.2    |
| Payment Under Limitation of Liability   | HSP-276   | 100-4, 30-§50      |

### Indemnification Procedures Under Limitation of Liability

|  |           |                   |
|--|-----------|-------------------|
| Indemnification Procedures for Claims Falling Within the Limitation of Liability Provision | HSP-277   | 100-4, 30-§100    |
| Determining the Amount of Indemnification  | HSP-277.1 | 100-4, 30-§100.6  |
| Notifying the Provider   | HSP-277.2 | 100-4, 30-§100.7  |
| Hospice Model Letter to Establish Beneficiary Notice of Medicare Non-coverage              | HSP-278   | Deleted- Obsolete |
| Model Letter Exhibit   | HSP-278.1 | Deleted- Obsolete |
| Medicare as Secondary Payer  | HSP-289   | 100-5             |

### Workers' Compensation

|  |           |                                   |
|--|-----------|-----------------------------------|
| General  | HSP-281   | 100-5, 1-§10.4, 2-§50             |
| Definitions  | HSP-281.1 | 100-5, 1-§20                      |
| Effect of Payments Under Workers' Compensation Plan                                      | HSP-281.2 | 100-5, 2-§50.1                    |
| Secondary Medicare Payments  | HSP-281.3 | 100-5, 2-§50.1                    |
| Workers' Compensation Cases Involving Liability Claims                                   | HSP-281.4 | 100-5, 2-§50.1                    |
| Possible Coverage Also Under Auto Medical or No-Fault Insurance or Employer Group Health | HSP-281.5 | 100-5, 2-§50.1, 3-30.2.1.2        |
| Handling of Cases Involving Work-Related Conditions                                      | HSP-281.6 | 100-5, 3-§30.1                    |
| Workers' Compensation Has Paid or Is Expected to Pay                                     | HSP-281.7 | 100-5, 1-§10.9, 3-§30.2.1, 30.2.2 |
| Workers' Compensation Denies Payment   | HSP-281.8 | 100-5, 3-§30.2.2                  |

### Automobile Medical and No Fault Insurance

|  |         |                                  |
|--|---------|----------------------------------|
| Services Reimbursable Under Automobile Medical or No-Fault Insurance | HSP-282 | 100-5, 2-§60, 3-§30.2.1, 5-§20.1 |
|--|---------|----------------------------------|

### Liability Insurance

|  |           |   |
|--|-----------|---|
| Services Reimbursable Under Liability Insurance  | HSP-283   | 100-5, 2-§40.3B                         |
| General  | HSP-283.1 | 100-5, 1-§10.6, 2-§40, 40.2, 4-§70.3.2  |
| Definitions  | HSP-283.2 | 100-5, 1-§10, 20                        |
| Provider Billing Rights and Responsibilities   | HSP-283.3 | 100-5, 2-§40.3                          |
| Provider Actions   | HSP-283.4 | 100-5, 3-§20                            |
| Limitation on Payment for Services to Individuals Entitled to Benefits Solely on the Basis of End Stage Renal Disease Who Are Covered by Employer Group Health Plans | HSP-284   | 100-5, 1-§10.2, 2-§20, 3-§30.1, 7-§30.2 |
| General  | HSP-284.1 | 100-5, 1-§10..2, 2-§20                  |
| Definitions  | HSP-284.2 | 100-5, 1-§20                            |
| Retroactive Application  | HSP-284.3 | 100-5, 7-§30.1.1                        |
| Determining the Months During Which Medicare May Be Secondary Payer  | HSP-284.4 | 100-5, 2-§20.1                          |
| Effect of Changed Basis for Medicare Entitlement   | HSP-284.5 | 100-5, 2-§20.2                          |
| Subsequent Periods of ESRD Entitlement   | HSP-284.6 | 100-5, 2-§20.1.2                        |

|   |            |  |
|---|------------|--|
| Identification of Cases in Which Medicare May Be Secondary to Employer Group Health Plans   | HSP-284.7  | 100-5, 3-§20   |
| Action Where Medicare Is Secondary to Employer Group Health Plan  | HSP-284.8  | 100-5, 1-§10.9, 3-§30.1, 7-§10.1.3                                     |
| Employer Group Health Plan Pays in Full   | HSP-284.9  | 100-5, 2-§50.1   |
| Limitation on Right of Hospice to Charge Beneficiary  | HSP-284.10 | 100-5, 3-§10.2   |
| EGHP Erroneously Pays Primary Benefits  | HSP-284.11 | 100-5, 5-§40.4.3   |
| Limitation on Payment for Services to Employed Aged Beneficiaries and Spouses   |            |  |
| Limitations on Payment for Services to the Employed Aged and the Aged Spouses of Employees Who Are Covered by Employer Group Health Plans | HSP-285    | 100-5, 1-§10, 10.1, 10.7.2, 20, 70.2, 2-§10, 3-§30.1, 5-§30.3, 7-§30.2 |
| General   | HSP-285.1  | 100-5, 1-§10.1, 2-§10, 3-§30.1   |
| Definitions   | HSP-285.2  | 100-5, 1-§20, 50, 50.1, 70.4   |
| Individuals Subject to Limitation on Payment  | HSP-285.3  | 100-5, 1-§50.1, 2-§10.1  |
| Individual Not Subject to the Limitation on Payment   | HSP-285.4  | 100-5, 2-§10.2   |
| Identification of Individuals Subject to This Limitation on Payment   | HSP-285.5  | 100-5, 3-§20   |
| Identification of Prior Claims that May Involve Employer Plan Payment   | HSP-285.6  | 100-5, 5-§30.8   |
| Action by Hospice Where Employer Group Health Plan is Primary Payer   | HSP-285.7  | 100-5, 1-§10.9, 3-§30.1, 7-§10.1.3                                     |
| Limitation on Right of Hospice to Charge Beneficiary  | HSP-285.8  | 100-5, 3-§10.2   |
| Employer Plan Denies Claim for Primary Benefits   | HSP-285.9  | 100-5, 1-§10.7, 10.7.1, 3-§40.3, 5-§40.3.1, 7-§30.3                    |
| Action by Intermediary to Recover Incorrect Payments  | HSP-285.10 | 100-5, 2-§50.1A  |
| Advice to Providers, Physicians, and Beneficiaries  | HSP-285.11 | 100-5, 7-§10.1   |
| Incorrect EGHP Primary Payments   | HSP-285.12 | 100-5, 3-§10   |
| Claimant's Right to Take Legal Action Against an EGHP   | HSP-285.13 | 100-5, 5-§40.4.3   |
| Special Rules For Services Furnished By Source Outside EGHP Prepaid Health Plan   | HSP-285.14 | 100-5, 1-§30   |
| Medicare as Secondary Payer For Disabled Individuals  | HSP-286    | 100-5, 5-§40.1.2, 40.1.2.1, 40.1.3, 40.2                               |
| Amount of Medicare Secondary Payments   | HSP-287    | 100-5, 2-§50.1A  |
| Effect of Primary Payment on Utilization  | HSP-288    | 100-5, 1-§40   |
| Determining Amount of Primary Payment that Applies to Medicare Services   | HSP-289    | 100-5, 2-§50.1A  |
| Right of Recovery   | HSP-290    | 100-5, 7-§10.1   |
| Private Right of Action   | HSP-291    | 100-5, 1-§30   |
| Rules Relating to Veterans Benefits   | HSP-292    | 100-2, 16-§50.1.1  |

### CHAPTER III - ADMISSION AND BILLING PROCEDURES

**NOTE:** Chapter III has been moved to the new CMS Manual System, mainly in the Medicare Claims Processing Manual (CMS Pub. 100-4). The new manual can be found at <http://www.cms.hhs.gov/manuals>. A crosswalk from the deleted manual sections to the new manual sections follows.

|  | Old §     | Pub, Chapter, & §                 |
|--|-----------|-----------------------------------|
| Admission Procedures   | HSP-300   | 100-4, 2-§10                      |
| Obtaining the HICN   | HSP-301   | 100-4, 2-§30                      |
| Health Insurance Card  | HSP-301.1 | 100-4, 2-§30.2                    |
| Temporary Notice of Medicare Eligibility   | HSP-301.2 | 100-1, 2-§50,<br>100-4, 2-§30.3   |
| Social Security Award Certificate  | HSP-301.3 | 100-4, 2-§30.4                    |
| Identifying HICNs  | HSP-301.4 | 100-4, 2-§10.1                    |
| Changes in HICNs   | HSP-301.5 | 100-4, 2-§10.1.1                  |
| Notice of Hospital (or Medical) Insurance Utilization or Explanation of Benefits                     | HSP-301.6 | 100-4, 2-§30.5                    |
| Contacts With the SSO to Obtain HICNs  | HSP-301.7 | 100-4, 2-§60                      |
| Notice of Election (NOE)   | HSP-302   | 100-2, 9-§20.1                    |
| Completing the Uniform (Institutional Provider) Bill (Form HCFA-1450) Notice of Election             | HSP-302.1 | 100-4, 11-§20                     |
| Intermediary Reply to Notice of Election   | HSP-302.2 | 100-4, 11-§20.1.3                 |
| Billing Procedures   | HSP-303   | 100-4, 11-§20                     |
| Completion of the Uniform (Institutional Provider) Bill (Form HCFA-1450) for Hospice Bills           | HSP-303.1 | 100-4, 25-§§50.1, 60,<br>28-§30.2 |
| Billing for Covered Medicare Services Unrelated to Hospice Care                                      | HSP-303.2 | 100-4, 11-§40                     |
| Frequency of Billing   | HSP-303.5 | 100-4, 11-§70                     |
| Special Billing Instructions for Pneumococcal Pneumonia, Influenza Virus, and Hepatitis B Vaccines   | HSP-303.6 | 100-4, 18-§10.2.4                 |
| Clarification of Reimbursement for Transfers That Result in Same Day Hospice Discharge and Admission | HSP-303.t | to be added to<br>100-4, 11-§30.  |
| Medical Review of Hospice Claims   | HSP-304   | 100-4, 11-§80                     |
| Claims Processing Timeliness   | HSP-305   | 100-4, 1-§80                      |
| Clinical Laboratory Improvement Amendments (CLIA)  | HSP-306   | 100-4, 16-§70                     |
| Overpayments   |           |                                   |
| Credit Balance Reporting Requirements  | HSP-307   | To be included in<br>100-4, 1§130 |
| Submitting the Form HCFA-838   | HSP-307.1 | To be included in<br>100-4, 1§130 |
| Completing the Form HCFA-838   | HSP-307.2 | To be included in<br>100-4, 1§130 |
| Payment of Amount Owed Medicare  | HSP-307.3 | To be included in<br>100-4, 1§130 |

|   | <b>Old §</b> | <b>Pub, Chapter, &amp; §</b>  |
|---|--------------|---|
| Records Supporting Form HCFA-838 Data   | HSP-307.4    | To be included in 100-4, 1§130  |
| Provider-Based Home Health Agencies   | HSP-307.5    | To be included in 100-4, 1§130  |
| Exception for Low Utilization Providers   | HSP-307.6    | To be included in 100-4, 1§130  |
| Compliance with MSP Regulations   | HSP-307.7    | To be included in 100-4, 1§130  |
| Exhibit I Medicare Credit Balance Report Certification  | -            | To be included in 100-4, 1§130  |
| Exhibit II Medicare Credit Balance Report ( Form HCFA-838)  | -            | To be included in 100-4, 1§130  |
| Exhibits  | HSP-399      |   |
| Exhibit 1A - Health Insurance Cards   | -            | 100-1, 2-§50  |
| Exhibit 1B - Social Security Award Certificate  | -            | 100-4, 2-§30.3  |
| Exhibit 1C - Temporary Notice of Medicare Eligibility   | -            | 100-1, 2-§50.1  |
| Exhibit 2 - Medicare Hospital, Skilled Nursing Facility and Home Health Benefits Record ( Form HCFA-1533) | -            | Deleted-obsolete  |
| Exhibit 3 - Uniform (Institutional Provider) Bill (Form HCFA-1450   | -            | <a href="http://cms.hhs.gov/providers/edi/1450info.asp">http://cms.hhs.gov/providers/edi/1450info.asp</a> |
| Exhibit 4 - Hospice Home Visit Consent Form   | -            | Deleted-obsolete  |

## CHAPTER IV - REIMBURSEMENT FOR HOSPICE CARE

**NOTE:** Chapter IV has been moved to the new CMS Manual System, mainly in the Medicare Claims Processing Manual (CMS Pub. 100-4). The new manual can be found at <http://www.cms.hhs.gov/manuals>. A crosswalk from the deleted manual sections to the new manual sections follows.

|   | Old §     | Pub, Chapter, & §      |
|---|-----------|------------------------|
| General   | HSP-401   | 100-4, 11-§20.1        |
| Levels of Care  | HSP-402   | 100-4, 11-§20.1        |
| Routine Home Care                                       | HSP-402.1 | 100-4, 11-§20.1        |
| Continuous Home Care                                    | HSP-402.2 | 100-4, 11-§20.1        |
| Inpatient Respite Care                                  | HSP-402.3 | 100-4, 11-§20.1        |
| General Inpatient Care                                  | HSP-402.4 | 100-4, 11-§20.1        |
| Date of Discharge                                       | HSP-402.5 | 100-4, 11-§20.1        |
| Hospice Payment Rates                                   | HSP-403   | 100-4, 11-§20.2        |
| Local Adjustment of Payment Rates                       | HSP-404   | 100-4, 11-§20.2        |
| Limitation on Payments for Inpatient Care               | HSP-405   | 100-4, 11-§60.1        |
|   | HSP-406   | 100-4, 11-§30.1-30.1.3 |
| Payment for Physician Services                          | HSP-407   | 100-4, 11-§60.2-60.2.3 |
| Cap on Overall Reimbursement                            | HSP-407.1 | 100-4, 11-§60.2-60.2.3 |
| Adjustments to Cap Amount                               | HSP-408   | 100-4, 29-§§40         |
| Appeals   | HSP-409   | Deleted-obsolete       |
| Cost Reporting and Recordkeeping Requirements           | HSP-410   | 100-4, 11-§50-50.3     |
| Hospice Coinsurance                                     | HSP-410.1 | 100-4, 11-§50-50.3     |
| Coinsurance on Outpatient Drugs and Biologicals         | HSP-410.2 | 100-4, 11-§50-50.3     |
| Coinsurance on Inpatient Respite Care                   | HSP-411   | 100-4, 2-§30.1.1       |
| Prohibition Against Billing Others for Covered Services |           |                        |