
Medicare Hospice Manual

Department of Health and
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HEALTH CARE FINANCING
ADMINISTRATION (HCFA)

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<u>HEADER SECTION NUMBERS</u>	<u>PAGES TO INSERT</u>	<u>PAGES TO DELETE</u>
Table of Contents - Chapter I	1-1 - 1-2 (2 pp.)	1-1 - 1-2 (2 pp.)
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Table of Contents - Chapter III	3-1 (1 p.)	3-1 (1 p.)
306.1 - 306.1	3-17.6 (1 p.)	3-17.6 - 3-17.9 (4 pp.)

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Section 106, Fraud and Abuse, has been **deleted** and moved to the Program Integrity Manual to avoid duplication. Cross references have been inserted. The associated tables of contents have been modified to show deletions.

Section 306.1, Focused Medical Review (FMR), has been **deleted** and moved to the Program Integrity Manual to avoid duplication. Cross references have been inserted. The associated tables of contents have been modified to show deletions.

The Program Integrity Manual can be found at the following Internet address:
www.hcfa.gov/pubforms/83_pim/pimtoc.htm

DISCLAIMER: The revision date and transmittal number only apply to the redlined material. All other material was previously published in the manual and is only being reprinted.

CHAPTER I

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Administration of Medicare Program

100. INTRODUCTION

The Health Insurance for the Aged and Disabled Act (title XVIII of the Social Security Act), known as "Medicare," has made available to nearly every American 65 years of age and older a broad program of health insurance designed to assist the Nation's elderly to meet hospital, medical, and other health costs. The program includes two related health insurance programs--hospital insurance (HI) (Part A) and supplementary medical insurance (SMI) (Part B).

The conduct of the program has been delegated by the Secretary of the Department of Health and Human Services (DHHS) to the Administrator of the Health Care Financing Administration (HCFA). Congress has provided substantial administrative roles for the State and for voluntary insurance organizations in recognition of their experience in the health care and insurance fields.

The law does not permit the Federal Government to exercise supervision or control over the practice of medicine or the manner in which medical services are provided. The patient is free to choose any participating institution, agency, or person offering services. The responsibility for treatment and control of care remains with the individual's physician and the hospice or other facility or agency furnishing services. The individual may keep or obtain any other health insurance he/she desires.

102. FINANCING THE PROGRAM

Part A is financed through separate payroll contributions paid by employees, employers, and self-employed persons. The proceeds are deposited to the account of the Federal Hospital Insurance Trust Fund which is used for hospital insurance benefits and administrative expenses. The cost of providing Part A benefits for persons who are not Social Security or Railroad Retirement beneficiaries are financed by appropriations to the Federal Hospital Insurance Trust Fund from general revenues or through premium payments.

Part B (SMI) is financed by monthly premiums of those who voluntarily enroll in the program and by the Federal Government which makes contributions from general revenues. All premiums and Government contributions are deposited in a separate account known as the Federal Supplementary Medical Trust Fund. Money from this fund is used only to pay for Part B benefits and administrative expenses.

104. DISCRIMINATION PROHIBITED

Participating providers of services under the hospital insurance program (e.g., hospitals, skilled nursing facilities (SNFs), hospices, home health agencies (HHAs), outpatient physical therapy (OPT), comprehensive outpatient rehabilitation facilities (CORFs), occupational therapy and speech pathology providers, and end-stage renal disease (ESRD) facilities) must comply with the requirements of title VI of the Civil Rights Act of 1964. Under the provisions of the Act, a participating provider is prohibited from making a distinction in the treatment of patients on the ground of race, color, or national origin, in the use of equipment, other facilities, or in the assignment of personnel to provide services.

The DHHS is responsible for investigating complaints of noncompliance.

106. FRAUD AND ABUSE - GENERAL

- * Sections 106 - 106.3 have been moved to the Program Integrity Manual which can be found at the
- * following Internet address: www.hcfa.gov/pubforms/83_pim/pimtoc.htm.

108. FEDERAL GOVERNMENT ADMINISTRATION OF THE HEALTH INSURANCE PROGRAM

The DHHS has overall responsibility for administering the hospital insurance and voluntary SMI program. Two major agencies are involved -- HCFA and the Public Health Service.

108.1 The Health Care Financing Administration--Is responsible for policy formulation. The central and regional offices are responsible for the general management and operations of the program. In brief, HCFA's responsibilities include the following:

- o Determining an individual's entitlement to benefits in consultation with the Social Security Administration (SSA);
- o Determining the nature and duration of services for which benefits may be paid;
- o Establishing, maintaining, and administering agreements with State agencies, providers of services, and intermediaries;
- o Formulating major policies regarding conditions of participation for providers (except SNFs) in consultation with the Public Health Service;
- o Developing and maintaining statistical research and actuarial programs;
- o Managing general finances of the program; and
- o Determining reasonable costs and amounts to be paid to providers, physicians, and suppliers.

108.2 The Public Health Service--Is responsible for administering the professional health aspects of the program. In brief, their responsibilities include the following:

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- * 306.1 Focused Medical Review (FMR).--This section has been moved to the Program Integrity
- * Manual which can be found at the following Internet address: www.hcfa.gov/pubforms/83_pim/pimtoc.htm.