



**MEDICAL CARE POLICY ADMINISTRATION
DEPARTMENT OF HEALTH AND MENTAL HYGIENE**

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**MARYLAND MEDICAL ASSISTANCE PROGRAM
Hospice Care Transmittal No. 5**

June 15, 1999

Hospice Care Agency Administrators

FROM: Joseph M. Millstone, Director *JMM*
Medical Care Policy Administration

NOTE: Please ensure that appropriate staff members in your organization are informed of the contents of this transmittal.

Balanced Budget Act of 1997 - Hospice Billing Changes

Chapter 4, Section 4442 of the Balanced Budget Act (B.B.A.) of 1997 (42 U.S.C. §1395(i)(2)(d)) imposes a new requirement that two Hospice services, routine home care and continuous home care, are to be **reimbursed based on the location where the service is provided**. This provision is effective during the cost reporting periods beginning on October 1, 1997. The Maryland Medical Assistance Program is accordingly making changes in the reimbursement system for the payment of claims for routine home care and continuous home care.

In order to comply with the law, all Maryland Medical Assistance Hospice providers will need to submit a new Hospice institution provider application packet for each of the Health Care Financing Administration (HCFA) designated regions in Maryland in which the provider wants to render Hospice services to Maryland Medical Assistance recipients. A new application is required even if a provider has historically served only in one region and will continue to do so.

1-800-685-5861

HCFA's list of jurisdictions included in the six regions is listed below:

Region 01 - Baltimore Urban Area

Anne Arundel County	Harford County
Baltimore City	Howard County
Baltimore County	Queen Anne's County
Carroll County	

Region 02 - Washington, D.C. Urban Area

Calvert County	Montgomery County
Charles County	Prince George's County
Frederick County	Washington, D.C.

Region 03 - Rural Area

Caroline County	Somerset County
Dorchester County	Talbot County
Garrett County	Wicomico County
Kent County	Worcester County
St. Mary's County	

Region 04 - Wilmington Urban Area

Cecil County

Region 05 - Hagerstown Urban Area

Washington County

Region 06 - Cumberland Urban Area

Allegany County

The Hospice institution provider application packet for each region must contain the following items:

- * Provider Application Form (Rev. 11/95)
- * Provider Ownership and Control Disclosure Form
- * Provider Agreement for Participation in the Title XIX Program (Rev. 2/97)
- * A copy of the provider's hospice license.
- * A copy of the provider's Medicare certification letter.

All of the information must be submitted on current forms, and each form must contain all of the provider's current information. Photocopies of the Hospice institution application forms that were submitted previously to Medical Assistance may be used as long as all of the forms meet the above requirements and have **original signatures**. On each form, the name of the Hospice must be followed with the word "**Region**" and the **appropriate number of the region** in which the provider wants to render Hospice services to Maryland Medical Assistance recipients (e.g., ABC Hospice - Region 03).

Each Hospice provider will be assigned a new Hospice institutional provider number(s) which begins with the same first seven digits of the current Hospice institution provider number. The last two digits of the current institution provider number will now be replaced with the appropriate region number(s).

Once the new Hospice institution provider number(s) is input into the system, the provider will be notified by the Provider Master File Unit. The provider will also be notified by the Medical Care Policy Administration to begin using the new Hospice institution provider number(s) in block 51 on the UB-92 Claim Form that corresponds to the jurisdiction where the recipient received routine home care or continuous home care. For example, if the recipient received either of these two services in Baltimore City, which is in Region 01, the provider would use their new assigned Hospice provider number which ends with the numbers "01" in block 51 on the UB-92 Claim Form.

Please note that the Hospice physician number will not be affected by these changes. The Hospice physician number will continue to be used on all of the forms on which this number is currently used.

OCTOBER 1, 1997 - SEPTEMBER 30, 1998 RETROACTIVE ADJUSTMENTS

The B.B.A. mandates that Medical Assistance make retroactive payment adjustments for all claims paid during the above referenced federal fiscal year. Retroactive adjustments will only be necessary for those claims paid at a different regional rate than allowable, based on the location (region) where services were actually provided to recipients.

Procedures are being developed by the Medical Care Policy Administration that will comply with the federal mandates for the retroactive payment adjustments. A transmittal will later be issued to Maryland Medical Assistance Hospice providers that will explain the procedures necessary for each Hospice provider to complete in order to comply with the B.B.A.

OCTOBER 1, 1998 - SEPTEMBER 30, 1999 REIMBURSEMENT ISSUES

The Hospice reimbursement rates for the current federal fiscal year have been set for each region. Once you have submitted your provider application(s) and a new Hospice institution provider number(s) is input into the system, you will begin to be reimbursed at the appropriate current rates. Payment adjustments based on the new rates will be available to providers for all claims paid after October 1, 1998 until the new Hospice institution provider numbers are operational. In some instances, the necessary adjustments may result in funds being owed Medical Assistance.

Each Hospice provider must submit its new application(s) for any region which it currently serves no later than July 21, 1999. Until you have submitted new provider application packet(s) and been approved for new Hospice institution provider number(s), please continue to submit invoices for Hospice services in the current manner. Please note that by September 1, 1999, the new Hospice institution provider numbers must be used exclusively on the UB-92 Claim Forms. After that date, the system will no longer accept for payment any invoices with institution numbers ending in double zeros.

In the future, when a Hospice provider discontinues providing services in a region, the provider will need to notify the Medical Assistance Hospice Care Program in order for that Hospice provider number to be invalidated. A Hospice provider may also submit a completed provider enrollment packet, if the provider wants to begin rendering services to Medical Assistance recipients in another region that the provider does not currently serve.

A complete provider application packet is enclosed. If you need additional forms or have questions about this transmittal, please contact the Hospice Care Program Staff Specialist at 410-767-1479 or 1-800-685-5861 extension 1479.

JMM:jaa

Enclosure

cc: Hospice Network of Maryland