Date: April 3, 2019

To: Medicaid Hospice Providers

Subject: Information Letter No. 19-08 - Payment Rates for Medicaid Community Hospice Effective October 1, 2018

The Texas Health and Human Services Commission (HHSC) approved rate changes for the Medicaid Community Hospice Program for continuous home care, inpatient respite care, general inpatient care, routine home care (days 1-60), routine home care (days 61+), and the service intensity add-on effective October 1, 2018.

HHSC calculated the Medicaid Community Hospice payment rates based on the annual hospice rates established under Medicare by the Center for Medicare and Medicaid Services (CMS). These rates are authorized by section 1814(i)(1)(C)(ii) of the Social Security Act (the Act), which also provides for an annual increase in payment rates for hospice care services. Rates for hospice physician services are not increased under this provision.

The Code of Federal Regulations (CFR) at 42 CFR 418.306(c) requires Medicaid hospice payment rates to be adjusted annually by the wage index published on the CMS website. The wage index for federal fiscal year 2019 was published on August 6, 2018, and the Medicaid rates were issued by CMS on September 14, 2018. The payment rates effective October 1, 2018, are based on those updated wage indexes and Medicaid rates.

The Payment Rates for Medicaid Community Hospice can be accessed at: https://rad.hhs.texas.gov/long-term-services-supports/hospice

**Medicaid Community Hospice Quality Data**

Hospice providers are required to comply with section 3004 of the Affordable Care Act and the implementing regulation at 78 Federal Register 48234 (August 7, 2013-CMS-1449-F). Section 3004 of the Affordable Care Act amended the Act to authorize a quality reporting program for hospice
providers. Section 1814(i)(5)(A)(i) of the Act requires that, beginning with federal fiscal year 2014 and each subsequent federal fiscal year, the Health and Human Services Secretary shall reduce the market basket update by two percentage points for any hospice provider that does not comply with the quality data submission requirements.

**Claims Submission**

Providers should continue to bill using their normal billing process. Since the electronic payment system has been updated with the new rates, a retroactive adjustment will occur allowing the new rate for claims beginning October 1, 2018; therefore, no additional action is required by individual providers.

**Resources**

Please contact the Rate Analysis Customer Information Center if you have any questions about the Hospice rates in this letter at: RAD-LTSS@hhsc.state.tx.us or (512) 424-6637. Please contact your contracted Managed Care Organization(s) (MCO) for questions about the Medicaid Community Hospice rates in this letter.

Sincerely,

[signature on file]

Sarah Hambrick
Director of Rate Analysis for Long Term Services & Supports