



Date: October 31, 2019

To: Medicaid Community Hospice Providers

Subject: Information Letter 19-32, Payment Rates for Medicaid Community Hospice Retroactive to October 1, 2019

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, 2019.

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 (FFY) 2020 was published on August 6, 2019, and the Medicaid rates were issued by CMS on August 19, 2019. The payment rates effective October 1, 2019, 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>.

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 FFY 2014 and each subsequent FFY, 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.

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 FFY 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, 2019; therefore, no additional action is required by individual providers.

Resources

Please contact the HHSC Rate Analysis Long Term Services and Supports Customer Information Team at RAD-LTSS@hhsc.state.tx.us or (512) 424-6637 if you have questions regarding the rates or this letter.

Sincerely,

[signature on file]

Victoria Grady
Director of Rate Analysis