

CHAMPVA POLICY MANUAL

CHAPTER: 3
SECTION: 11.1
TITLE: HOSPICE REIMBURSEMENT

AUTHORITY: 38 CFR 17.270(a)

RELATED AUTHORITY: 32 CFR 199.6(b)(4)(iii); 32 CFR 199.14(g)

I. EFFECTIVE DATE

February 6, 1995

II. POLICY

A. Hospice services are not subject to a beneficiary deductible or cost share. CHAMPVA pays the full CHAMPVA allowable (less any other health insurance coverage) for covered services under hospice.

B. The CHAMPVA reimbursement for approved hospice services is determined using the per diem National Medicare Hospice Rates for the four levels of care provided under an approved Medicare hospice program.

1. Hospice rates for the four different levels of care are found in the TRICARE Reimbursement Manual, Chapter 11, Addendum A for each fiscal year.

2. An area wage index is applied to the wage portion of the applicable national hospice rate for urban and rural areas. References to the hospice wage indexes are in the TRICARE Reimbursement Manual, Chapter 11, Addendum B and C for each fiscal year.

C. The national payment rates are designed to reimburse the hospice for the costs of all covered services related to the treatment of the beneficiary's terminal illness, including the administrative and general supervisory activities performed by physicians who are employees of, or working under arrangements made with, the hospice.

1. The only amounts that will be allowed outside of the locally adjusted national payment rates are for direct patient care services rendered by an independent attending physician (a physician who is not considered employed by, or under contract with, the hospice). The attending physician can bill separately for services rendered.

a. The provider will bill for services not related to the terminal illness on a HCFA 1500 using the appropriate CPT codes. These services will be subject to

standard CHAMPVA reimbursement (i.e., appropriate allowable charge methodology) and cost sharing/deductible provisions.

b. The hospice must notify CHAMPVA of the name of the physician whenever the attending physician is not a hospice employee.

2. The hospice will bill for its physician charges/services on a UB 92 using the appropriate CPT codes. Payments for the independent attending physician services will be paid at 100 percent of the CHAMPVA allowable charge. The hospice based physician charges are included in the per diem.

D. The four levels of care on which reimbursement is based are:

1. Routine home care. The hospice will be reimbursed for routine home care for each day the patient is at home, under the care of the hospice, and not receiving continuous care. This rate is paid without regard to the volume or intensity of routine home care services provided on any given day. Reimbursement for routine home care will be based on the geographic location at which the service is furnished as opposed to the location of the hospice.

2. Continuous home care. The hospice will be reimbursed the continuous home care rate when continuous home care is provided. Reimbursement for continuous care will be based on the geographic location at which the service is furnished as opposed to the location of the hospice. The continuous home care rate is divided by 24 hours in order to arrive an hourly rate. The following provisions are used for payment of this level of care:

a. A minimum of 8 hours of care must be provided within a 24-hour period, starting and ending at midnight. If less than 8 hours of care are provided within a 24-hour period, the care will be paid at the lower routine home care rate.

b. More than half of the continuous home care must be provided by either a registered or licensed practical nurse of the total hours billed for each 24-hour period.

c. Homemaker and home health aide services may be provided to supplement the nursing care to enable the beneficiary to remain at home.

d. For every hour or part of an hour of continuous care furnished, the hourly rate will be reimbursed to the hospice up to 24 hours per day.

3. Inpatient respite care. The hospice will be reimbursed at the inpatient respite care rate for each day on which the beneficiary is in an approved inpatient facility and is receiving respite care.

a. Reimbursement for respite care may be made for a maximum of 5 days at a time, including the date of admission, but not counting the date of discharge.

b. Reimbursement for the sixth and any subsequent days is to be made at the routine home care rate.

4. General inpatient care. Reimbursement at the inpatient rate will be made when general inpatient care is provided. None of the other fixed reimbursement rates (i.e., routine home care) will be applicable for a day on which the patient receives general inpatient care except on the date of discharge.

NOTE: If there are no inpatient hospice beds available a hospice beneficiary could be placed into a hospice-contracted facility. The inpatient hospice rate is paid to the hospice and not to the contracted facility. The hospice in turn pays the contracted facility.

E. Reclassification of level of care. CHAMPVA may reclassify care from one rate category to another as a result of their review. CHAMPVA will be responsible for adjusting the reimbursement on the previously processed claims to the appropriate level of care. For example, if continuous home care was provided to a patient whose condition did not require that level of care, payment will be made at the appropriate level (the same levels that are listed under D.).

F. Hospice care provided at a VAMC under the CITI (CHAMPVA Inhouse Treatment Initiative) program is reimbursed at the appropriate Medicare rate.

G. Voluntary services. No payment will be allowed for physician services furnished voluntarily (physicians employed by and under contract with the hospice or the individual attending physician).

H. Documentation may be requested for medical review for conditions that are determined by the hospice to be unrelated to the terminal illness.

I. The hospice will be liable for the costs of the noncovered services. The hospice may not attempt to collect any amounts for services that are not covered under the CHAMPA hospice benefit.

III. POLICY CONSIDERATIONS

Treatment for conditions that are unrelated to the terminal illness is payable. For that care, cost shares and deductibles are applicable.

END OF POLICY