

CHAPTER 9
 ADDENDUM A

ECHO HOME HEALTH CARE (EHHC) BENEFIT

The following example illustrates the process of calculating the maximum fiscal year benefit for ECHO Home Health Care (EHHC) as described in Chapter 9, Section 15.1, paragraph VI.H.

This example is based on the Fiscal Year 2005 rates for the Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities, published by the Centers for Medicare and Medicaid in the Federal Register on July 30, 2004 (69 FR 45775).

| STEP | DESCRIPTION | URBAN ¹ | RURAL ² |
|------|--|--------------------|--------------------|
| 1 | Tables 6 and 7 Highest RUG-III Category | RUC | RUC |
| 2 | Tables 6 and 7 Labor Component of RUC | 356.12 | 377.56 |
| 3 | Tables 8 and 9 Wage Index | 1.5221 | 1.1637 |
| 4 | Adjusted Labor Component (Step 2 x Step 3) | 542.05 | 439.37 |
| 5 | Tables 6 and 7 Non-Labor Component | 111.09 | 117.78 |
| 6 | Total RUC Daily Rate (Step 4 + Step 5) | 653.14 | 557.15 |
| 7 | Table 10 Section 314 BIPA (6.7%) | 0.067 | 0.067 |
| 8 | BIPA adjustment (Step 6 x Step 7) | 43.76 | 37.33 |
| 9 | Total RUC Daily Rate (Step 6 + Step 8) | 696.90 | 594.48 |
| 10 | Total Fiscal Year EHHC Benefit (Step 9 x 365) ³ | 254,368.50 | 216,985.20 |

¹ Beneficiary resides in Oakland, CA.
² Beneficiary resides in rural Alaska
³ 366 in Leap Year

