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TRICARE
MANAGEMENT ACTIVITY

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**CHANGE 108
6010.55-M
DECEMBER 30, 2009**

**PUBLICATIONS SYSTEM CHANGE TRANSMITTAL
FOR
TRICARE REIMBURSEMENT MANUAL (TRM), AUGUST 2002**

The TRICARE Management Activity has authorized the following addition(s)/revision(s).

CHANGE TITLE: CLARIFICATIONS TO FISCAL YEAR (FY) 2010 HOSPICE RATES

CONREQ: 14941

PAGE CHANGE(S): See page 2.

SUMMARY OF CHANGE(S): This change provides national hospice rates and the cap amount for the period October 1, 2009 through September 30, 2010.

EFFECTIVE DATE: October 1, 2009.

IMPLEMENTATION DATE: Upon direction of the Contracting Officer.



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Chief, Medical Benefits and
Reimbursement Branch**

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**CHANGE 108
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HOSPICE

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2	Hospice Reimbursement - Coverage/Benefits
3	Hospice Reimbursement - Conditions For Coverage
4	Hospice Reimbursement - Guidelines For Payment Of Designated Levels Of Care
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ADDENDUM A	(FY 2009) - Fiscal Year 2009 Rates For Hospice Care
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ADDENDUM B	(FY 2008) - Hospice Rate Information - FY 2008 Hospice Wage Indexes For Urban Areas
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ADDENDUM D	(FY 2006) - Crosswalk Of Counties By States For Fiscal Year 2006
ADDENDUM E	Participation Agreement For Hospice Program Services For TRICARE/CHAMPUS Beneficiaries

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CHAPTER 11, SECTION 1

HOSPICE REIMBURSEMENT - GENERAL OVERVIEW

b. The hospice will bill for its physician charges/services on a UB 92 using the appropriate CPT codes. Payments for hospice based physician services will be paid at 100 percent of the allowable charge (CMAC) and will be subject to the hospice cap amount; i.e., it will be figured into the total hospice payments made during the cap period.

c. Independent attending physician services are not considered a part of the hospice benefit and are not figured into the cap amount calculations. The provider will bill for these services on a CMS 1500 (08/05) using the appropriate CPT codes. These services will be subject to standard TRICARE reimbursement and cost-sharing/deductible provisions.

D. Authorized Providers

1. Social workers, hospice counselors, and home health aides which are not otherwise authorized providers of care under Basic Program may provide those services necessary for the palliation or management of terminally ill patients electing hospice coverage. These services are part of a package of services for which there is single all-inclusive rate for each day of care.

2. Hospice programs must be Medicare certified and meet all Medicare conditions of participation (42 CFR 418) in relation to patients in order to receive payment under the TRICARE program.

NOTE: The hospice program will be responsible for assuring that the individuals rendering hospice services meet the qualification standards specified in [Section 2](#). The contractor will not be responsible for certification of individuals employed by or contracted with a hospice program.

E. Implementing Instructions

Since this issuance only deals with a general overview of the hospice benefit the following cross referencing is provided to facilitate access to specific implementing instructions within Sections 1 through 4:

IMPLEMENTING INSTRUCTIONS/SECTION
General Overview/Chapter 11, Section 1
Coverage/Benefits/ Chapter 11, Section 2
Core Services
Non-Core Services
Continuous Care
Short-term Inpatient Care
Counseling Services

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CHAPTER 11, SECTION 1

HOSPICE REIMBURSEMENT - GENERAL OVERVIEW

IMPLEMENTING INSTRUCTIONS/SECTION (CONTINUED)

Conditions for Coverage/[Chapter 11, Section 3](#)

Election Process
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Criteria for Medical Review

Rate Information

National Rates Cap Amount

for FY 2008 ([Chapter 11, Addendum A \(FY 2008\)](#))
for FY 2009 ([Chapter 11, Addendum A \(FY 2009\)](#))
for FY 2010 ([Chapter 11, Addendum A \(FY 2010\)](#))

Urban Wage Indexes

for FY 2008 ([Chapter 11, Addendum B \(FY 2008\)](#))
for FY 2009 ([Chapter 11, Addendum B \(FY 2009\)](#))
for FY 2010 ([Chapter 11, Addendum B \(FY 2010\)](#))

Rural Wage Indexes

for FY 2008 ([Chapter 11, Addendum C \(FY 2008\)](#))
for FY 2009 ([Chapter 11, Addendum C \(FY 2009\)](#))
for FY 2010 ([Chapter 11, Addendum C \(FY 2010\)](#))

Crosswalk Of Counties By States

for FY 2006 ([Chapter 11, Addendum D \(FY 2006\)](#))

Certification Documents

Participation Agreement ([Chapter 11, Addendum E](#))

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CHAPTER 11, SECTION 4

HOSPICE REIMBURSEMENT - GUIDELINES FOR PAYMENT OF DESIGNATED LEVELS OF CARE

c. The contractor will identify and review all inpatient claims for beneficiaries who have elected hospice care to make sure that for:

(1) Nonrelated hospital admissions, nonhospice TRICARE coverage is provided to a beneficiary only when hospitalization was for a condition not related to his or her terminal illness; and

(2) Conditions related to a beneficiary's terminal illness, the claims were denied.

NOTE: Many illnesses may occur when an individual is terminally ill which are brought on by the underlying condition of the patient. For example, it is not unusual for a terminally ill patient to develop pneumonia or some other illness as a result of his or her weakened condition. Similarly, the setting of bones after fractures occur in a bone cancer patient would be treatment of a related condition. The treatment of these related conditions is part of the overall hospice benefit, and as such, cannot be billed under TRICARE standard, except for services of an attending physician who is not employed by, or under contract with, the hospice program.

14. Frequency of hospice billing. While inpatient billing is generally deferred until discharge, hospice programs may bill patient stays requiring longer than 30 days in 30-day intervals. This requirement applies to both the institutional and hospice-based physician claims.

15. Updated Hospice Rates.

a. The rates in [Chapter 11, Addendum A \(FY 2008\)](#) will be used for payment of claims for services rendered on or after October 1, 2007, through September 30, 2008. The hospice cap amount applies to the cap year ending October 31, 2007.

b. The rates in [Chapter 11, Addendum A \(FY 2009\)](#) will be used for payment of claims for services rendered on or after October 1, 2008, through September 30, 2009. The hospice cap amount applies to the cap year ending October 31, 2008.

c. [The rates in Chapter 11, Addendum A \(FY 2010\) will be used for payment of claims for services rendered on or after October 1, 2009, through September 30, 2010. The hospice cap amount applies to the cap year ending October 31, 2009.](#)

B. Beneficiary cost-sharing. There are no deductibles under the hospice benefit. TRICARE pays the full cost of all covered services for the terminal illness, except for small cost-share amounts which may be collected by the individual hospice for outpatient drugs and biologicals and inpatient respite care.

NOTE: The collection of cost-share amounts are optional under the hospice program.

1. The patient is responsible for five percent of the cost of outpatient drugs, or \$5 toward each prescription, whichever is less. Additionally, the cost of prescription drugs (drugs or biologicals) may not exceed that which a prudent buyer would pay in similar

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CHAPTER 11, SECTION 4

HOSPICE REIMBURSEMENT - GUIDELINES FOR PAYMENT OF DESIGNATED LEVELS OF CARE

circumstances; that is, a buyer who refuses to pay more than the going price for an item or service and also seeks to economize by minimizing costs.

2. For inpatient respite care, the cost-share for each respite care day is equal to **five** percent of the amount TRICARE has estimated to be the cost of respite care, after adjusting the national rate for local wage differences.

EXAMPLE: Calculation of the cost-share for respite care in Denver, Colorado.

Wage Component Subject to Index	x Index for Denver	= Adjusted Wage Component
\$50.68	x 1.2141	= \$61.53
Adjusted Wage Component	+ Nonwage Component	= Adjusted Rate
\$61.53	+ \$42.95	= \$104.48
Adjusted/.95 (Rate to Include Rate Cost-Share)	x % Cost-Share	= Cost-Share Amount
\$104.48/.95	x 0.05	= \$5.50

3. The cost-sharing provisions established under [paragraph III.B.](#) are applicable to all beneficiaries regardless of the sponsor's status (active duty or retired).

4. Hospice cost-sharing is not subject to the catastrophic cap provisions since it is optional and already offset in the established national rates.

5. The amount of the individual cost-share liability for respite care during a hospice cost-share period may not exceed the Medicare inpatient hospital deductible applicable for the year in which the hospice cost-share period began. The individual hospice cost-share period begins on the first day an election is in effect for the beneficiary and ends with the close of the first period of 14 consecutive days on each of which an election is not in effect for the beneficiary.

EXAMPLE: Mr. Brown elected an initial 90-day period of hospice care. Five days after the initial period of hospice care ended, Mr. Brown began another period of hospice care under a subsequent election. Immediately after that period ended, he began a third period of hospice care. Since these election periods were not separated by 14 consecutive days, they constitute a single hospice cost-share period. Therefore, the maximum cost-share for respite care during the three periods of hospice care may not exceed the amount of the inpatient deductible for the year in which the first period began.

6. The TRICARE payment rates are not reduced when the individual is liable for coinsurance payments. Instead, when establishing the payment rates, TRICARE offsets the estimated cost of services by an estimate of average coinsurance amounts hospices collect.

CHAPTER 11
ADDENDUM A (FY 2010)

FISCAL YEAR 2010 RATES FOR HOSPICE CARE

The following national hospice rates are for care and services provided on or after October 1, 2009, through September 30, 2010. The hospice rates applicable to the above period are:

DESCRIPTION	RATE	WAGE COMPONENT SUBJECT	UNWEIGHTED AMOUNT
Routine Home Care	\$142.91	\$98.19	\$44.72
Continuous Home Care	\$834.10 full rate = 24 hours of care/\$34.75 hourly rate	\$573.11	\$260.99
Inpatient Respite Care	\$147.83	\$80.02	\$67.81
General Inpatient Care	\$635.74	\$406.94	\$228.80
Allow the provider to split bills if they span the effective date. Use the previous year's rates if the provider chooses not to split the bill.			
Hospice Cap Amount:	The latest hospice cap amount, for the cap year ending October 31, 2009, is \$23,014.50 .		

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