

May 17, 2016

<Provider Name>  
<Provider Address 1>  
<Provider Address 2>  
<Provider City> <State> <zipcode5-zipcode4>

Dear Provider:

**RE:** Hospice Billing Clarification

Per the Michigan Department of Health and Human Services (MDHHS) policy Bulletin MSA 15-60 and L-letter 16-15, hospice routine home care claims with dates of service on or after January 1, 2016, are reimbursed based on a two-tiered structure: a higher rate for days 1-60 and lower rate for days 61 onward.

In order for the correct day count to be calculated by the Community Health Automated Medicaid Processing System (CHAMPS) the department has instructed providers to use occurrence code (OC) 27 on all hospice claims along with the beneficiary's initial hospice start date. It remains mandatory when submitting a beneficiary's first hospice claim that OC 27 matches the initial hospice start date as this date activates the accumulator table in CHAMPS. However, there has been confusion regarding the appropriate start date to report with OC 27 in a situation where a beneficiary was enrolled in hospice while under another insurance payer or was self-pay prior to becoming Medicaid eligible.

CMS has clarified that for the purposes of Medicaid reimbursement, the hospice day-count begins when a beneficiary becomes Medicaid eligible and not before. Therefore, MDHHS cannot count days in hospice when the individual was self-pay or under another insurance payer. Once the beneficiary becomes Medicaid eligible, OC 27 will need to contain the hospice start date at which the individual became Medicaid eligible, and the higher-tiered hospice rate for days 1-60 will be reimbursed to the provider.

Sincerely,



Chris Priest, Director  
Medical Services Administration