

Bulletin Number: MSA 13-52

Distribution: Hospice Providers

Issued: December 23, 2013

Subject: Annual Reduction in Medicaid Hospice Payment Rates for Hospices Reported as Non-Compliant with the Hospice Quality Reporting Program (HQRP)

Effective: February 1, 2014

Programs Affected: Medicaid Fee-for-Service (FFS)

Medicaid FFS hospice providers that have not submitted required quality data to the Centers for Medicare & Medicaid Services (CMS) in compliance with the Hospice Quality Reporting Program (HQRP) will receive reduced reimbursement rates beginning in Fiscal Year (FY) 2014. This policy applies to Medicaid FFS hospice providers only. Medicaid Managed Health Plans are not impacted by this change as they contract with individual hospice providers and reimbursement is based on contractual agreements.

Hospice providers are now required to comply with section 3004 of the Patient Protection and Affordable Care Act (PPACA) and the implementing regulations at 78 FR 48234 (August 7, 2013 – CMS – 1449-F). Section 3004 of the ACA amended the Social Security Act to authorize a quality reporting program for hospices. Per Section 1814(i)(5)(A)(i), beginning with FY 2014 and each subsequent year, CMS will reduce a hospice's annual payment update by two (2) percentage points if the hospice is found to be non-compliant with the reporting requirements of the HQRP.

The State of Michigan is updating the Community Health Automated Medicaid Processing System (CHAMPS) to integrate two levels of hospice payment rates and to appropriately identify and reimburse hospices based on whether they have or have not complied with the CMS quality data submission requirements of the HQRP. Until the update is fully operational, CHAMPS will reimburse hospice providers at the non-reduced rate. Subsequently, claims will be adjusted if it is determined that a hospice was noncompliant with the CMS data submission and should have been receiving the reduced rate as of October 1, 2013.

Michigan Medicaid hospice rates may be found at the Michigan Department of Community Health (MDCH) website at: <http://www.michigan.gov/medicaidproviders> >> Billing and Reimbursement >> Provider Specific Information >> Hospice.

Manual Maintenance

Retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved

A handwritten signature in black ink that reads "Stephen Fitton". The signature is written in a cursive style with a large initial 'S'.

Stephen Fitton, Director
Medical Services Administration