**Michigan Department of Health and Human Services**
**Program Policy Division**
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Michigan Department of Health & Human Services
RICK SNYDER, GOVERNOR | NICK LYON, DIRECTOR

March 24, 2016

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

Dear Provider:

**RE:** Hospice Billing

This correspondence gives direction to hospice providers on the use of occurrence code (OC) 27 when submitting claims to the Michigan Department of Health and Human Services (MDHHS). It also serves as a reminder to bill in date sequence order with inclusion of the correct core based statistical area (CBSA) code on all hospice claims.

Occurrence Code 27

Per Policy Bulletin MSA 15-60, hospice claims with dates of service on or after January 1, 2016, for routine home care will pay based on rates in a two-tiered structure: a higher rate for days 1-60 and lower rate for days 61 onward. For this two-tiered payment to occur, the Community Health Automated Medicaid Processing System (CHAMPS) will need to track all days that a beneficiary has been in hospice, and as such, **all hospice claims** must contain OC 27. While the number of days in hospice impacts the routine home care payment, OC 27 must be present on all hospice claims including those for routine home care, room and board, respite and inpatient hospice.

It is 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. After the initial claim has been reported utilizing OC 27 with the correct hospice start of service/certification date, providers are permitted to use OC 27 to report recertification dates on subsequent claims. If a beneficiary disenrolls and later returns to hospice, the date of OC 27 must be adjusted to the new start date.

Reporting OC 27 Q&A:

Question: A hospice beneficiary with commercial insurance becomes Medicaid eligible and remains in hospice. How should OC 27 be reported?

Answer: On the first claim to MDHHS, report OC 27 with the date that hospice services initially began during the commercial insurance timeframe.

Question: A Medicaid hospice beneficiary transfers from one hospice to another hospice. How should OC 27 be reported after the transfer?

Answer: Because the beneficiary has not been discharged from hospice, the hospice day count in CHAMPS will not change. However, the provider should report OC 27 with the original hospice start date from the preceding hospice time period.

Question: A hospice beneficiary is disenrolled from a Medicaid managed health plan and goes to traditional fee-for-service Medicaid. How should OC 27 be reported?

Answer: On the first claim to MDHHS, report OC 27 with the date that hospice services originally began during the timeframe that the beneficiary was enrolled in the managed health plan.

Submission of Claims in Date Sequence Order

To further ensure the accurate function of the accumulator start date in CHAMPS, hospice claims should be submitted to MDHHS and paid in date sequence order.

CBSA Codes

Effective for dates of service on/after January 1, 2016, CHAMPS will reject claims that are missing the CBSA code and therefore, providers are reminded to report a CBSA code on all hospice claims. This requirement is not new. Please see the Billing and Reimbursement for Institutional Providers Chapter of the Medicaid Provider Manual, Section 11.1 – Billing Instructions for Hospice Claim Completion for additional information. The Medicaid Provider Manual is available on the MDHHS website at www.michigan.gov/medicaidproviders >> Policy and Forms >> Medicaid Provider Manual.

Sincerely,

Chris Priest, Director
Medical Services Administration