



COMMISSIONER  
Jon Weizenbaum

December 31, 2015

To: Medicaid Hospice Providers

Subject: Information Letter No. 15-78  
Medicaid Hospice Service Intensity Add-on Payment

The purpose of this information letter is to inform Medicaid Hospice providers of the addition of a service intensity add-on (SIA) payment authorized under the "FY 2016 Hospice Wage Index and Payment Rate Update and Hospice Quality Reporting Requirements" published August 6, 2015. CMS implemented payments to reflect changes in resource intensity in the provision of care and services during the course of hospice care.

Beginning January 1, 2016, an SIA payment may be billed in addition to the per diem rate for routine home care (RHC) level of care and is equal to the continuous home care (CHC) hourly rate if the following requirements are met:

- The day is an RHC level of care day.
- The care occurs during the last seven days of an individual's life who is receiving Medicaid-only hospice services and the individual has died.
- The skilled service is provided by a registered nurse (RN) or medical social worker (SW) for at least 15 minutes but no more than four hours per day:
  - RN and SW hours are combined and cannot exceed four hours total;
  - RN and SW hours provided concurrently count separately;
  - RN and SW hours can occur over multiple visits per day;
  - the service is provided in person; and
  - the skilled service provided is clearly documented.

The SIA payment will be determined by the number of hours, in 15-minute increments, of service provided multiplied by the hospice provider's current CHC hourly rate.

#### Example 1

The CHC hourly rate for *Hospice A* is equal to \$33.00 per hour. If an RN spends 45 minutes in the morning assessing an individual who is at the end of life, and the SW spends 45 minutes in the afternoon assisting the family with grieving, a total of 1.5 hours was spent in person providing skilled services:

1.5 total hours multiplied by \$33.00 per hour equals \$49.50 additional SIA payment that can be billed by *Hospice A* for the day.

Example 2

The CHC hourly rate for *Hospice A* is equal to \$33.00 per hour. *Hospice A* anticipates an individual will die within the week. Due to difficult family dynamics the SW spends four hours per day of the last eight days of life with the individual and the family addressing the grieving process. An RN also spends four hours per day for the last eight days of life due to the individual's need for frequent reassessment and symptom control. Although the RN and SW time combined was eight hours per day for a period of eight days, only four hours per day for the last seven can be billed as SIA:

4 hours per day multiplied by 7 days equals 28 total hours, and 28 total hours multiplied by \$33.00 per hour equals \$924.00 additional SIA that can be billed by *Hospice A*.

An additional service code and two new billing codes, one for RN hours and one for SW hours, have been created for the submission of claims for the SIA payment. However, authorization must be obtained before the SIA payment claim can be submitted. The daily RHC claim is separate and can be submitted as usual.

To receive authorization to bill for the SIA payment, documentation supporting both the skilled services provided and the times the services were provided, in person by the RN and/or SW, and Texas Department of Aging and Disability Services (DADS) [Individual Election/Cancellation/Update \(Form 3071\)](#) certifying the individual died must be submitted to DADS for verification that all requirements outlined in this information letter were met. Once the review is completed, the provider will receive a letter from DADS either authorizing the claim or denying it. Letters sent authorizing SIA payments will include instructions on which service code and billing codes to use. Letters sent denying the SIA payment will include information on which requirements were not met. Both letters will include contact information, should the provider have questions or comments.

To obtain authorization to bill for SIA payments after January 1, 2016, please send supporting documentation to:

Department of Aging and Disability Services  
Hospice Utilization Management and Review  
MC 0222  
8317 Cross Park Dr., Ste. 305  
Austin, Texas 78754

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If you have any questions or need additional information, please contact the Medicaid Hospice program by email at [Hospice@dads.state.tx.us](mailto:Hospice@dads.state.tx.us).

Sincerely,

*[signature on file]*

Lisa Akers-Owen

Director

Community Services and Program Operations

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