



Iowa Department of Human Services

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INFORMATIONAL LETTER NO.1175

DATE: October 2, 2012

TO: Iowa Medicaid Hospice Agencies

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

SUBJECT: Annual Update of Medicaid Hospice Rates

EFFECTIVE: October 1, 2012

Pursuant to 441 IAC 79.1(14), Medicaid hospice rates are based on the methodology used in setting Medicare rates for the categories of care provided with application of an appropriate area wage adjustment. The Centers for Medicare and Medicaid Services (CMS) publishes Medicaid hospice payment rate changes annually for the following four levels of care:

Medicaid Hospice Rates Effective October 1, 2012 – September 30, 2013				
Revenue Code	Description	Daily Rate	Wage Component Subject to Index	Unweighted Amount
651	Routine Home Care	\$153.45	\$105.44	\$48.01
652	Continuous Home Care	\$895.56 (full rate = 24 hours of care/\$37.32 hourly rate)	\$615.34	\$280.22
655	Inpatient Respite Care	\$158.72	\$85.92	\$72.80
656	General Inpatient Care	\$682.59	\$436.93	\$245.66

The Medicaid hospice payment rates shown above are effective October 1, 2012, through September 30, 2013. These daily hospice rates are base rates. The wage component of the rate is adjusted by an appropriate wage index to reflect geographical differences in area wage levels.

Wage Indexes

Annual updates to the hospice wage indices were published in the Federal Register (Volume 77, Number 145) on July 27, 2012. The published wage indices are based on the most current available wage data as well as changes implemented by the Office of Management and Budget (OMB) to the definitions of Metropolitan Statistical Areas (MSAs), which are

superseded by Core Based Statistical Areas (CBSAs). For Federal Fiscal Year 2013, the full CBSA-based wage index values have been used.

Room & Board Payments

The room and board payments (Revenue Code 658) for hospice residents residing in nursing facilities is ninety-five percent (95%) of the associated nursing facility's base rate. The hospice agency bills and receives reimbursement for this revenue code. The hospice agency forwards the room and board reimbursement to the nursing facility.

Additional Information

Questions relating to this Informational Letter may be directed to the IME Provider Services Unit at 1-800-338-7909, locally at 515-256-4609 or by email at imeproviderservices@dhs.state.ia.us.