

# IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS    BT202194    OCTOBER 21, 2021

## CMS releases new federal hospice rates for federal fiscal year 2022

The Centers for Medicare & Medicaid Services (CMS) released new federal hospice rates for federal fiscal year 2022 (FFY 2022), effective for dates of service Oct. 1, 2021, through Sept. 30, 2022. These rates are the basis for payments to Medicaid-enrolled hospice providers. Accordingly, the Indiana Family and Social Services Administration (FSSA) is providing information regarding Indiana Health Coverage Programs (IHCP) hospice rates for the same time period.

### IHCP hospice rate calculation

Reimbursement for IHCP hospice benefits is based on the methodology established by the CMS for the administration of the federal Medicare program. Additionally, IHCP rates include payment for any Medicare coinsurance amounts and are further adjusted for regional wage differences.

The total per diem amounts reimbursed to IHCP-enrolled providers are calculated according to the IHCP hospice member's level and location of service as follows:



- Routine home hospice in the private home – IHCP hospice per diem only
- Routine home hospice in the nursing home – IHCP hospice per diem plus room and board per diem
- Continuous home hospice in the private home – IHCP hospice per diem only
- Continuous home hospice in the nursing home – IHCP hospice per diem plus room and board per diem
- Inpatient respite care for the private home members or nursing facility (NF) members – IHCP hospice per diem only (*There is no additional room and board per diem for this service.*)
- General inpatient care for the private home members or NF members – IHCP hospice per diem only (*There is no additional room and board per diem for this service.*)

The service intensity add-on (SIA) payment is in addition to the routine home care per diem rate in the private home and in the NF. The SIA payment is equal to the continuous home care hourly rate multiplied by the hours of nursing or social work provided on the date of service (up to four hours total). The SIA payment is also adjusted for regional wage differences.

The hospice per diem rates for routine and continuous home hospice in the private home, as well as the SIA in the private home, are adjusted using the wage index for the city or county where the member resides. The hospice per diem rates for routine and continuous hospice in the NF, as well as the SIA in the NF, are adjusted using the wage index of the city or county where the hospice facility is located.

In FFY 2021, the updated hospice wage index incorporated the new Office of Management and Budget (OMB) labor market delineations as described in the Sept. 14, 2018, OMB Bulletin No. 18–04. These new delineations have resulted in new Core-Based Statistical Areas (CBSAs), urban counties that have become rural, rural counties that have become urban, and existing CBSAs that have been split apart. These changes allowed the hospice wage index to maintain an accurate and up-to-date payment system that reflected the reality of population shifts and labor market conditions. The one-year, 5% cap on wage index decreases for impacted counties was only applicable for FFY 2021. No cap will be applied to the reduction in the wage index for FY 2022.



Section 3004 of the *Affordable Care Act (ACA)* amended the *Social Security Act (the Act)* to authorize a quality reporting program for hospice providers. *Section 1814(i)(5)(A)(i)*<sup>1</sup> of the Act requires that the market basket update be reduced by 2 percentage points for any hospice provider that does not comply with the quality data reporting requirements, and that Medicaid minimum rates be reduced by the amount of any penalty assessed for non-reporting. Medicaid agencies have the flexibility to pay more than the minimum rates reduced by the penalty. At its discretion, the FSSA does not intend to implement the reduced minimum rates imposed by the ACA during FFY 2022.

### **Federal per diem rates for hospice claims**

The Medicaid hospice payment rates for care and services provided from Oct. 1, 2021, through Sept. 30, 2022, are reflected in the following tables:

- [Table 1](#) – Federal per diem rates for routine home care, continuous home care, inpatient respite care and general inpatient care effective Oct. 1, 2021, through Sept. 30, 2022
- [Table 2](#) – Federal rates for SIA payments made in conjunction with routine home care effective Oct. 1, 2021, through Sept. 30, 2022
- [Table 3](#) – IHCP wage-adjusted rates for hospice benefits effective for dates of service Oct. 1, 2021, through Sept. 30, 2022

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***The daily or hourly rate on each table is the sum of the amount subject to wage index (the labor portion of the rate) plus the unweighted amount (the nonlabor portion of the rate). States are required to adjust the federal daily or hourly rate to reflect local geographical differences in wage levels. The wage-adjusted rates in Table 3 are computed by multiplying the federal “component subject to wage index” amount by the hospice wage index for the applicable geographic area, and adding the result to the federal “unweighted component” amount.***

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The IHCP updated the claim-processing system with the new hospice rates.

<sup>1</sup> *Section 1814(i)(5)(A)(i) of the Act was amended by the Consolidated Appropriations Act of 2021 (CAA), and the payment reduction for failing to meet hospice quality reporting requirements will be increased from 2 percent to 4 percent beginning with FFY 2024.*

*Table 1 – Federal per diem rates for routine home care, continuous home care, inpatient respite care and general inpatient care, effective Oct. 1, 2021, through Sept. 30, 2022*

Level of service	Daily rate	Component subject to wage index	Unweighted component
Routine home care (days 1-60)	\$203.66	\$134.42	\$69.24
Routine home care (days 61+)	\$160.95	\$106.23	\$54.72
Continuous home care	\$1,463.09	\$1,100.24	\$362.85
Inpatient respite care	\$498.68	\$304.20	\$194.48
General inpatient care	\$1,068.28	\$678.36	\$389.92

*Table 2 – Federal rates for service intensity add-on payments made in conjunction with routine home care, effective Oct. 1, 2021, through Sept. 30, 2022*

Level of service	Daily rate	Component subject to wage index	Unweighted component
Service intensity add-on	\$60.96	\$45.84	\$15.12

*Table 3 – IHCP wage-adjusted rates for hospice benefits, effective for dates of service Oct. 1, 2021, through Sept. 30, 2022*

County name	County code	Wage index <sup>1</sup>	Routine home care (days 1-60)	Routine home care (days 61+)	Routine home care service intensity add-on	Continuous home care full rate 24 hours	Continuous home care hourly rate <sup>2</sup>	Inpatient respite care	General inpatient care
<b>Urban Areas</b>									
<b>Bloomington:</b>									
Monroe	53	0.9308	194.36	153.60	57.79	1,386.95	57.79	477.63	1,021.34
Owen	60	0.9308	194.36	153.60	57.79	1,386.95	57.79	477.63	1,021.34
<b>Cincinnati:</b>									
Dearborn	15	0.9424	195.92	154.83	58.32	1,399.72	58.32	481.16	1,029.21
Franklin	24	0.9424	195.92	154.83	58.32	1,399.72	58.32	481.16	1,029.21
Ohio	58	0.9424	195.92	154.83	58.32	1,399.72	58.32	481.16	1,029.21
Union	81	0.9424	195.92	154.83	58.32	1,399.72	58.32	481.16	1,029.21
<b>Columbus:</b>									
Bartholomew	3	1.0187	206.17	162.94	61.82	1,483.66	61.82	504.37	1,080.97
<b>Elkhart/ Goshen:</b>									
Elkhart	20	1.0095	204.94	161.96	61.40	1,473.54	61.40	501.57	1,074.72
<b>Evansville:</b>									
Posey	65	0.9308	194.36	153.60	57.79	1,386.95	57.79	477.63	1,021.34
Vanderburgh	82	0.9308	194.36	153.60	57.79	1,386.95	57.79	477.63	1,021.34
Warrick	87	0.9308	194.36	153.60	57.79	1,386.95	57.79	477.63	1,021.34
<b>Fort Wayne:</b>									
Allen	2	0.9252	193.61	153.00	57.53	1,380.79	57.53	475.93	1,017.54
Whitley	92	0.9252	193.61	153.00	57.53	1,380.79	57.53	475.93	1,017.54

Table 3 – IHCP wage-adjusted rates for hospice benefits,  
effective for DOS from Oct. 1, 2021, through Sept. 30, 2022 (Continued)

County name	County code	Wage index <sup>1</sup>	Routine home care (days 1-60)	Routine home care (days 61+)	Routine home care service intensity add-on	Continuous home care full rate 24 hours	Continuous home care hourly rate <sup>2</sup>	Inpatient respite care	General inpatient care
<b>Urban Areas</b>									
<b>Gary:</b>									
Jasper	37	0.9304	194.30	153.56	57.77	1,386.51	57.77	477.51	1,021.07
Lake	45	0.9304	194.30	153.56	57.77	1,386.51	57.77	477.51	1,021.07
Newton	56	0.9304	194.30	153.56	57.77	1,386.51	57.77	477.51	1,021.07
Porter	64	0.9304	194.30	153.56	57.77	1,386.51	57.77	477.51	1,021.07
<b>Indianapolis/ Carmel/ Anderson:</b>									
Boone	6	0.9807	201.07	158.90	60.08	1,441.86	60.08	492.81	1,055.19
Brown	7	0.9807	201.07	158.90	60.08	1,441.86	60.08	492.81	1,055.19
Hamilton	29	0.9807	201.07	158.90	60.08	1,441.86	60.08	492.81	1,055.19
Hancock	30	0.9807	201.07	158.90	60.08	1,441.86	60.08	492.81	1,055.19
Hendricks	32	0.9807	201.07	158.90	60.08	1,441.86	60.08	492.81	1,055.19
Johnson	41	0.9807	201.07	158.90	60.08	1,441.86	60.08	492.81	1,055.19
Madison	48	0.9807	201.07	158.90	60.08	1,441.86	60.08	492.81	1,055.19
Marion	49	0.9807	201.07	158.90	60.08	1,441.86	60.08	492.81	1,055.19
Morgan	55	0.9807	201.07	158.90	60.08	1,441.86	60.08	492.81	1,055.19
Putnam	67	0.9807	201.07	158.90	60.08	1,441.86	60.08	492.81	1,055.19
Shelby	73	0.9807	201.07	158.90	60.08	1,441.86	60.08	492.81	1,055.19
<b>Kokomo:</b>									
Howard	34	0.9647	198.91	157.20	59.34	1,424.25	59.34	487.94	1,044.33
<b>Lafayette/ West Lafayette:</b>									
Benton	4	0.9991	203.54	160.85	60.92	1,462.10	60.92	498.41	1,067.67
Carroll	8	0.9991	203.54	160.85	60.92	1,462.10	60.92	498.41	1,067.67
Tippecanoe	79	0.9991	203.54	160.85	60.92	1,462.10	60.92	498.41	1,067.67
Warren	86	0.9991	203.54	160.85	60.92	1,462.10	60.92	498.41	1,067.67
<b>Louisville/ Jefferson County:</b>									
Clark	10	0.8695	186.12	147.09	54.98	1,319.51	54.98	458.98	979.75
Floyd	22	0.8695	186.12	147.09	54.98	1,319.51	54.98	458.98	979.75
Harrison	31	0.8695	186.12	147.09	54.98	1,319.51	54.98	458.98	979.75
Washington	88	0.8695	186.12	147.09	54.98	1,319.51	54.98	458.98	979.75
<b>Michigan City/La Porte:</b>									
La Porte	46	0.9344	194.84	153.98	57.95	1,390.91	57.95	478.72	1,023.78
<b>Muncie:</b>									
Delaware	18	0.9761	200.45	158.41	59.86	1,436.79	59.87	491.41	1,052.07
<b>South Bend/ Mishawaka:</b>									
St. Joseph	71	0.9905	202.38	159.94	60.52	1,452.64	60.53	495.79	1,061.84
<b>Terre Haute:</b>									
Clay	11	0.8779	187.25	147.98	55.36	1,328.75	55.36	461.54	985.45
Parke	61	0.8779	187.25	147.98	55.36	1,328.75	55.36	461.54	985.45
Sullivan	77	0.8779	187.25	147.98	55.36	1,328.75	55.36	461.54	985.45
Vermillion	83	0.8779	187.25	147.98	55.36	1,328.75	55.36	461.54	985.45
Vigo	84	0.8779	187.25	147.98	55.36	1,328.75	55.36	461.54	985.45



Table 3 – IHCP wage-adjusted rates for hospice benefits,  
effective for DOS from Oct. 1, 2021, through Sept. 30, 2022 (Continued)

County name	County code	Wage index <sup>1</sup>	Routine home care (days 1-60)	Routine home care (days 61+)	Routine home care service intensity add-on	Continuous home care full rate 24 hours	Continuous home care hourly rate <sup>2</sup>	Inpatient respite care	General inpatient care
<b>Nonurban Areas:</b>									
Adams	1	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Blackford	5	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Cass	9	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Clinton	12	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Crawford	13	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Daviess	14	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
De Kalb	17	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Decatur	16	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Dubois	19	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Fayette	21	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Fountain	23	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Fulton	25	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Gibson	26	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Grant	27	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Greene	28	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Henry	33	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Huntington	35	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Jackson	36	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Jay	38	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Jefferson	39	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Jennings	40	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Knox	42	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Kosciusko	43	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
LaGrange	44	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Lawrence	47	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Marshall	50	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Martin	51	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Miami	52	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Montgomery	54	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Noble	57	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Orange	59	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Perry	62	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Pike	63	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Pulaski	66	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Randolph	68	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Ripley	69	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Rush	70	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Scott	72	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Spencer	74	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Starke	75	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Steuben	76	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Switzerland	78	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Tipton	80	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Wabash	85	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Wayne	89	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
Wells	90	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90
White	91	0.8594	184.76	146.01	54.51	1,308.40	54.52	455.91	972.90

<sup>1</sup> The Hospice Wage Index was published in the Federal Register on August 4, 2021. States adjust the wage component of the daily hospice payment rates to reflect geographical differences in the wage levels.

<sup>2</sup> The continuous home care hourly rate, as adjusted, is used to calculate the SIA payment amount.

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