



**Louisiana Department of Health and Hospitals**  
**Health Plan Advisory 16-4**  
**February 10, 2016**

**Topic: New Hospice Rates Effective Jan. 1, 2016**

The Centers for Medicare and Medicaid Services (CMS) has implemented new rates for Routine Home Care (HR651). The rates will become effective Jan. 1, 2016 and will impact hospice.

These new rates will be published on the [www.lamedicaid.com](http://www.lamedicaid.com) website under the "Fee Schedules" tab. The current rates for dates of services beginning Oct. 1, 2015 through Dec. 31, 2015, as well as the rates for the previous federal fiscal year (FFY) will remain on the website. Health Plans are expected to configure their systems to accommodate the updated reimbursement and methodology.

**Reimbursement**

The rates will be reimbursed based upon a two-tier payment system. Reimbursement will begin at a higher rate and then decrease to a lower rate. The higher rate is payable for the first 60 days of an initial election of hospice services. If the member remains in hospice, on day 61, payment drops to the lower rate.

**Exceptions**

If a member is discharged or voluntarily revokes hospice election but readmits to hospice within the initial 60-day time frame, there is no disruption in hospice services for the purpose of counting days when determining reimbursement in this two-tier system. The 60-day count will continue for members transferring to another hospice, Health Plan or Legacy Medicaid.

However, if a member is discharged or voluntarily revokes hospice election for more than 60 days, such event will constitute a new hospice election for the purposes of counting days when determining reimbursement in this two-tier system.

Listed below are the new rates and the assigned Metropolitan Statistical Area (MSA) Codes which take effect on Jan. 1, 2016:

Payment Rate #1 for Day 1 through Day 60

**Metropolitan Statistical Area**

Revenue Code	Description	220	760	3350	3880	3960	5200	5560	7680	9919
HR 651	Routine Home Care	\$161.37	\$161.37	\$161.37	\$161.37	\$161.37	\$161.37	\$171.93	\$165.55	\$161.37

Payment Rate #2 for Day 61 and Beyond

**Metropolitan Statistical Area**

Revenue Code	Description	220	760	3350	3880	3960	5200	5560	7680	9919
HR 651	Routine Home Care	126.82	\$126.82	\$126.82	\$126.82	\$126.82	\$126.82	\$135.11	\$130.10	\$126.82