



4350 E. Cotton Center Boulevard • Building D • Phoenix, AZ 85040 • (602) 263-3000 • (800) 624-3879

Provider Notification Update

Date of Notification	6/1/09
Plans Affected	Mercy Care Advantage
Subject	Hospice Election Coverage While Covered Under Mercy Care Advantage

Mercy Care Plan would like to provide clarification regarding hospice coverage and claim submissions while a member is enrolled in a Medicare Advantage (MA) organization, such as Mercy Care Advantage.

According to the Medicare Managed Care Manual, published by CMS, under Chapter 4 – Benefits and Beneficiary Protections, it states the following:

“10.1 - Basic Rule

(Rev. 87; Issued: 06-08-07; Effective/Implementation: 06-08-07)

An MA organization offering an MA plan must provide enrollees in that plan with all original Medicare-covered services (that is, Part A and Part B services), except hospice, by furnishing the benefit directly or through arrangements, or by paying on behalf of enrollees for the benefit. In addition, to the extent applicable, the organization will also furnish, arrange, or pay for supplemental benefits...”

It also indicates under the Medicare Managed Care Manual, published by CMS, under Chapter 8 – Payments to Medicare Advantage Organizations under Section 70.3.1 – CMS’ Payments to Hospice Programs:

“70.3.1 - CMS’ Payments to Hospice Programs

(Rev. 89; Issued: 11-02-07; Effective/Implementation: 11-02-07)

The hospice is paid through the original Medicare program, subject to the usual rules of payment, for hospice care furnished to the Medicare enrollee. See the Medicare Claims Processing Manual, Chapter 11 on Hospice on the CMS Web site at <http://www.cms.hhs.gov/Manuals/IOM/list.asp>. Section 40.2.2(B) of Chapter 11 notes that Medicare hospices will bill the RHHI (Regional Home Health Intermediaries) for Medicare beneficiaries who have coverage through managed care just as they do for beneficiaries with fee-for-service coverage.

Original Medicare pays physicians, providers and suppliers for other Medicare-covered services furnished to enrollees who have elected hospice. “Other services” refer to non-hospice A/B services that are not related to the terminal illness...”



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The only claims payable during the hospice election period by MCA would be additional benefits covered under MCA that would not normally be covered under traditional Medicare-covered services. These additional MCA benefits are as follows:

- Preventive dental services (2 cleanings per year)
- Hearing aids (up to \$2,000 per year)
- Routine eye exam (1 per year)
- Lens and eyeglass frames (\$175 per year)
- Routine chiropractic care (12 visits per year)
- Routine foot care (4 visits per year)
- Routine physical exam (1 per year)

Per CMS guidelines, MCA is not responsible for a hospice member's claims while receiving a reduced CMS capitation payment, which may include dates after a member has revoked their hospice election.

"... Managed care enrollees that have elected hospice may revoke hospice election at any time, but claims will continue to be paid by fee-for-service contractors as if the beneficiary were a fee-for-service beneficiary until the first day of the month following the month in which hospice was revoked. Full monthly capitation payments begin on the first day of the month after the beneficiary has revoked their hospice election ..."

While a hospice election is in effect, all Medicare Part A and B services furnished from the election's effective date to revocation or expiration of the enrollee's hospice election should be submitted directly to a fee-for-service contractor of CMS, subject to the usual Medicare rules of payment, until the first day of the month following the month in which hospice was revoked.