

RAC Alert: How to Bill Medicare for Hospice Patients When You Are Not the Hospice Provider



What is Hospice?

Hospice care focuses on improving the quality of life for persons and their families faced with a life-limiting illness. The primary goals of hospice care are to provide comfort, relieve physical, emotional, and spiritual suffering, and promote the dignity of terminally ill persons. Hospice care neither prolongs nor hastens the dying process. As such, it is palliative not curative. Hospice care is a philosophy or approach to care rather than a place. Care may be provided in a person's home, nursing home, hospital, or independent facility devoted to end-of-life care.

How is Medicare Hospice Care Paid?

When hospice coverage is elected, the beneficiary waives all rights to Medicare Part B payments for services that are related to the treatment and management of his/her terminal illness during any period his/her hospice benefit election is in force, except for professional services of an attending physician, which may include a nurse practitioner. If the attending physician, who may be a nurse practitioner, is an employee of the designated hospice, he or she may not receive compensation from the hospice for those services under Part B.

These physician professional services are billed to Medicare Part A by the hospice.

What is the RAC Issue?

Recovery Auditors recently reported a billing issue for physicians providing services unrelated to a Hospice terminal diagnosis provided during a Hospice period. Hospice claims are filed under Part A, while services not related to a Hospice diagnosis are filed under Part B. In these cases, unrelated care was billed without the accompanying GW modifier. **All services related to a Hospice terminal diagnosis are included in the Hospice payment and are not paid separately.**

For beneficiaries enrolled in Hospice, Medicare Administrative Contractors (MACs) and/or Medicare Carriers must deny any service furnished on or after January 1, 2002, that are submitted without either GV or GW modifier.

GV Modifier = Attending physician treating a patient with a **Hospice related** terminal diagnosis, but not employed or paid under arrangement by the patient's hospice provider

GW Modifier = Service **not related** to the Hospice patient's terminal condition

Recovery Auditor Finding

In this audit, the recovery auditors conducted an automated review of claims for physician services. A significant number were deemed to contain improper billing resulting in **overpayment**.

***Claim Example 1:** A patient is enrolled in Hospice and goes to a physician's office for open treatment of a femoral fracture, with internal fixation or prosthetic replacement, CPT code 27236.*

Finding: *If the procedure is unrelated to the terminal diagnosis (Non-Hospice related), the physician's bill should contain modifier GW. If this modifier is not appended, the procedure is related to the terminal diagnosis and should not be reimbursed under the part B benefit, instead paid under the hospice benefit.*

Claim Example 2: *The patient is shown as being on hospice starting August 1, 2010, through August 31, 2010. A provider billed CPT code 45378, Colonoscopy, with no modifiers to Part B on August 3, 2010.*

Finding: *The billing of code 45378 would be incorrect since the beneficiary was enrolled in hospice. There can be no separate reimbursement unless the service was unrelated to the terminal diagnosis, which has to be reflected by the proper modifier.*

How to Capture Medicare Hospice Information

- Identify patients enrolled in Hospice, and document in your system the Hospice in which they are enrolled.
- If you have referred a patient to Hospice, flag their account in the computer so anyone performing coding or billing can investigate the use of appropriate modifiers.
- If you have received correspondence notifying you of a patient's enrollment in Hospice, notify staff and make sure the billing record is flagged for appropriate coding.
- If you become aware during the patient's care that the patient you are treating is in Hospice, document the name of the Hospice and notify staff, making sure the billing record is flagged.
- Patients sometimes dis-enroll or are discharged from

Hospice, so do not assume a patient is continuing care under Hospice. When in doubt, contact the patient's Hospice to clarify if the patient is or is not enrolled.

- A little extra leg work will not only cause your claim to be paid on time and properly, it will also keep you from having to pay back any money if improperly paid to you.