TEXAS & NEW MEXICO HOSPICE ORGANIZATION

Hospice Utilization Reviews for Medicaid Continuous Home Care

August 29, 2025

Disclaimer: *The following information is provided to hospice providers based on information shared with Texas New Mexico Hospice Organization (TNMHO). The information presented to you is an attempt to assist the hospice provider in understanding what the Texas Health and Human Services Commission (HHSC) receives when documentation is submitted to them. For complete and more detailed information on documentation and requirements, contact HHSC Utilization Review (UR) and Medicaid hospice policy sections at* hospicepolicy@hhsc.state.tx.us.

Continuous Home Care (CHC):
Current system: HHSC reviews all CHC provided to the hospice recipients. Currently, CHC reviews are done two (2) years retro-active; this allows for the submission and completion of all billing and payment. There are eight (8) CHC elements that the UR staff review, as outlined in 26 Texas Administrative Code (TAC) §266.211 Continuous Home Care. TNMHO is sharing the areas that the HHSC UR staff review and what they receive from the providers which could cause denials for partial or full payment.

1. **Crisis:** Is there a crisis as defined in the rule?
   HHSC receives: No documentation is submitted indicating a crisis. Documentation submitted shows the hospice recipient is going through the normal dying process. CHC is not to be utilized for the normal dying process. HHSC is looking for an "acute change that requires immediate medical/nursing interventions."

2. **Physician orders**: Orders must be provided on the first day of CHC, prior to initiation.
   HHSC receives: Physician orders are dated after the CHC has begun or was provided.

3. **Plan of Care:** The plan of care is for the CHC. How does the provider plan to deal with the crisis? What is the goal? What staff are involved?
   HHSC receives: Many plans that are submitted have check boxes. The provider does not explain anything further on the document. This makes it impossible for HHSC UR staff to understand what the plan of care was/will be.

4. **Daily Physician oversight**: The physician needs to be involved from the beginning of the care. Did the physician complete the physician order at the beginning of care? Are they aware of the crisis? Have they been updated and/or consulted throughout the provision of CHC. This can be via phone or in person.
   HHSC receives: The documentation does not show physician involvement.

5. **Skilled nursing care**: Did the provider utilize skilled nursing care for at least half of the CHC hours provided?
   HHSC receives: Documentation is submitted on palliative care and the normal dying process. Many times there is caregiver breakdown and the question for the provider then becomes, "Is the crisis escalating? Is there a skilled nursing need?" **NOTE:** If the task is able to be delegated then it is **NOT** skilled nursing.

6. **Hours of care:** The rules state that there must be a minimum of eight (8) hours of CHC care provided during a 24-hour day that begins and ends at midnight; half of which must be skilled nursing care.

HHSC reviews: UR staff review the number of hours of care documented by the hospice provider in the information they submitted to the UR section.

7. **Billing and payment** Once the documentation is reviewed for hours of care, UR staff check the billing system to ensure that the correct number of hours were billed and paid. Partial units must be used/ billed if less than 24 hours were provided on a given date. For example: 1 unit = 24 hours; 0.5 units = 12 hours. (Divide the number of hours provided by 24 to get the number of units to bill. Round to nearest 100th decimal place.)

8. **Alternate placement**: Prior to providing CHC, documentation must show that a conversation occurred between the provider and the recipient, caregiver and family that alternate placement may be necessary at the end of five (5) days if the crisis is not resolved. The hospice must document the following in the individual's records:
   (A) the date and time of the discussion;
   (B) the names and titles of the participating IDT members;
   (C) at least one potential alternate placement; and
   (D) any other outcomes of the discussion
   HHSC receives: The documentation does not show this conversation ever took place; or the conversation was about the individual wanting CHC at home rather than to go to the hospital or skilled facility. The conversation must be about giving the individual and family notice that at the end of five (5) days on CHC alternate placement may be necessary if the crisis is not resolved. The hospice provider must have this conversation **prior t**o the time a person is placed on CHC.

NOTE: Any CHC submitted indicating a pattern such as five days of CHC and one day off five days on etc. is not approved for payment. HHSC rejects all additional CHC when this occurs. Providers are required to submit requests for reconsideration, as appropriate.

Hospice Eligibility Reviews
Current system: UR conducts a 100% review for those recipients admitted onto hospice. This could include transfers and re-admissions. The medical record is reviewed to determine compliance with the Texas Administrative Code and the Code of Federal Regulations. It is important to remember that the Forms 3071 Election and the 3074 Physician Certification must be complete and correct.

HHSC receives: The Forms 3071 Election and 3074 Physician Certification are submitted incomplete and in accurate.

1. **Terminal Illness Diagnosis:** UR staff review documentation for the terminal illness diagnosis and related conditions. To avoid denials, providers are encouraged to submit the documentation they reviewed to determine if the recipient is hospice eligible, such as the History and Physical. In addition, HHSC reviews the nursing summary to see changes and decline in health.
   HHSC receives: Documentation received does not show the recipient is hospice eligible, which includes a terminal illness diagnosis. (NEED clinical documentation to support the terminal illness)
2. **Appeals**: Providers have the right to appeal.
   HHSC receives: Information and diagnosis that were not in **the original submission is now in the documentation for the appeal. HHSC is NOT required to accept** additional documentation when a hospice provider appeals. HHSC legal department makes the determination as to whether this additional documentation will be accepted now that the provider is appealing.

Length of Stay Reviews:
Current system: UR staff conduct reviews on hospice recipients who have been on hospice for 12 months. The provider is required to "paint a picture" of the decline in health of the hospice recipient. Staff review the medical record to determine compliance with the Texas Administrative Code and the Code of Federal Regulations.

Resources:
26 Texas Administrative Code Chapter 266 Medicaid Hospice Program: https://texas-sos.appianportalsgov.com/rules-and-meetings?chapter=266&interface=VIEW_TAC&part=1&title=26
42 Code of Federal Regulations Chapter 418 Hospice: https://www.govinfo.gov/app/details/CFR-2024-title42-vol3/CFR-2024-title42-vol3-part418