TEXAS ~ NEW MEXICO
HOSPICE & PALLIATIVE CARE ORGANIZATION

FAQ: Medicaid CHIP, Managed Care and the Medicaid Hospice Program

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Disclaimer: *The answers provided in this document are the result of the Texas and New Mexico Hospice Organization's research and analysis. Answers to many of these questions were extrapolated from Health and Human Services Commission (HHSC) Managed care and hospice policy staff over the past few years. If you have specific questions on rules and interpretation, contact the HHSC, managed care and hospice policy State Office staff.*

Question: Where can we submit managed care questions?
Answer: General managed care questions can be submitted via email to: Managed_Care_Initiatives@hhsc.state.tx.us.

Question: Is hospice "carved out" of these managed care programs?
Answer: HHSC can speak to hospice in Medicaid and CHIP programs.

Medicaid: Hospice services are carved out of Medicaid managed care. Hospice services for Medicaid clients are administered by the HHSC regardless of whether the individual is in fee-for-service (FFS) or managed care. Medicaid managed care organization (MCO) members can receive hospice services by submitting the hospice election form to HHSC Medicaid Hospice Program. If a member in the STAR Medicaid managed care program enrolls in the Medicaid Hospice Program, the member will be dis-enrolled from STAR and transferred to FFS Medicaid.

Members in the STAR+PLUS, STAR Health, and STAR Kids Medicaid managed care programs who enroll in the Medicaid Hospice Program remain in managed care for all of their non-hospice services.

CHIP and CHIP Perinatal: Hospice services are not carved out of CHIP and are delivered by CHIP MCOs. CHIP MCOs are required to contract with hospice providers to provide medically necessary hospice services to members. Hospice services are not a covered benefit for CHIP Perinatal (CHIP-P) pregnant members. CHIP Perinatal newborn members have the same coverage as traditional CHIP members, and therefore, hospice services are a covered benefit.

Question: The federal government mandates that when a nursing facility (NF) resident elects to go onto hospice, the NF stops billing for NF services and looks to the hospice for the "room and board" payment. The hospice bills for room and board and passes it on to the NF. We call that the "pass through". It is our understanding that it continues to be the same; however, we are beginning to hear rumors that this is NOT so. HHSC has not sent any provider or information letters indicating that this has changed. Would you please clarify?

Answer: When a person chooses to receive Medicaid hospice in a NF, the NF stops billing HHSC for room and board. The hospice provider will bill Medicaid for room and board at a per diem rate that is 95% of the NF rate, and the hospice will pay the NF directly.

Question: There are a few children in NF's and maybe a NF specifically for children. How does the federally mandated room and board pass through payment work in these situations? Does it continue to be between the NF and hospice, or does it go to the MCO and on to the NF?
Answer: NF services for children are carved out of Medicaid managed care and paid through HHSC's FFS claims administrator, the Texas Medicaid & Healthcare Partnership (TMHP). Clients residing in Truman Smith, a pediatric NF, are also carved out of managed care. The payment for room and board is between the hospice provider and NF. The hospice provider separately bills Medicaid through TMHP for room and board at a per diem rate that is 95% of the NF rate. After the hospice provider is reimbursed, the hospice will pay the NF directly.

Question: What is the difference between a child on Medicaid and a child in CHIP?
Answer: Medicaid in Texas is a joint federal health insurance program that provides low-cost of free health care to low-income people. A child enrolled in Medicaid may receive their medical services through a MCO or traditional FFS Medicaid depending on the child's medical needs and the Medicaid programs for which they qualify. CHIP is health insurance designed for families who earn too much money to qualify for Medicaid yet cannot afford to buy private health insurance. A child enrolled in CHIP can only receive their medical services through a MCO only. To find out more details about Medicaid and CHIP eligibility criteria, visit https://www.hhs.texas.gov/services/health/medicaid-chip/medicaid-chip-programs-services.

Question: Do all children on Medicaid or CHIP have to be in a managed care?
Answer: Medicaid has mandatory, voluntary, and excluded populations for managed care. Most Medicaid recipients are required to be in managed care. An example of voluntary recipients that may choose between managed care and FFS Medicaid is self-declared members of federally recognized tribes. Examples of groups who are excluded include individuals residing in a state supported living center (SSLC) and residents of state veteran's homes.

All CHIP members must be enrolled in managed care.

For details about Medicaid and CHIP eligibility criteria, visit
https://www.hhs.texas.gov/services/health/medicaid-chip/medicaid-chip-programs-services.

Question: Can a managed care organization (MCO) hospice providers enter into an agreement with them if my hospice program is carved out?
Answer: Medicaid hospice services are only reimbursed through FFS Medicaid.
A CHIP MCO is required to ensure appropriate access to hospice services. A CHIP MCO cannot force a provider to contract with them, but the MCO will refer members to the MCO's other contracted hospice providers.

Question: What is CHIP?
Answer: CHIP stands for Children's Health Insurance Program. CHIP covers children in families who have too much income to qualify for Medicaid but cannot afford to buy private insurance. To qualify for CHIP, a child must meet income requirements and be under age 19, a Texas resident, and a U.S. citizen or legal permanent resident. For details about CHIP eligibility criteria, visit
https://www.hhs.texas.gov/services/health/medicaid-chip/medicaid-chip-programs-services.

Question: Is hospice a covered service in CHIP?
Answer: Yes, hospice is a CHIP covered service. CHIP hospice services are delivered through an MCO. MCOs may require authorization and a prescription for the hospice services from the attending or hospice physician.

Question: If hospice providers want to provide services to children on CHIP, are they required to enter into agreements with MCOs?
Answer: A hospice provider that wants to provide services to a CHIP member must contract with the member's CHIP MCO.

Question: Does a CHIP MCO have to enter into an agreement/contract with all hospice providers?
Answer: No. CHIP MCOs must ensure a member has access to needed services, including hospice, within 75 miles of the member's residence. The MCO will determine how many contracted providers are needed to meet the needs of its members.

Question: If I receive a hospice referral for a child, what should the hospice provider do?
Answer: Upon receiving a referral for a child, the hospice provider will complete forms 3071 (Individual Election/Cancellation/Update) and 3074 (Physician Certification of Terminal Illness) and submit them through the TMHP Long-Term Care (LTC) Online Portal to notify HHSC that the child is beginning hospice. The hospice provider will monitor the processing of the forms to determine when to begin delivering hospice services.

Question: Can a child receive concurrent care if hospice is elected?
Answer: Concurrent hospice care and treatment of the terminal illness or related condition is a benefit of Texas Medicaid and CHIP for clients who are 20 years of age or younger and who elect hospice care. This means that a family that chooses hospice care for their child is not required to waive treatment of the child's terminal illness. Concurrent hospice care and treatment services include:

- Services unrelated to the client's terminal illness.
- Services related to the client's terminal illness.
- Hospice care (palliative care and medical and support services related to the terminal illness).

Question: Does the MCO have to authorize hospice services? The Centers for Medicare and Medicaid Services (CMS) states that the attending/hospice certifying physician is the entity that authorizes the need for hospice. There are times when hospice services need to begin immediately and waiting for a MCO to authorize in addition to the attending/hospice physician is not prudent.
Answer: Hospice services are carved out of Medicaid managed care. Medicaid MCO members can receive hospice services by having a hospice provider submit an individual election form through the TMHP LTC Online Portal.

CHIP MCOs may choose to have prior authorization processes for hospice services. Only emergency services must not have a prior authorization process. For certain services, expedited prior authorization is available. See the Uniform Managed Care Terms and Conditions Contract Section 8.1.8 *Utilization Management* for authorization request timelines.

Question: Hospice providers receive two-tiered routine home care payments, and they are paid the service intensity add-on (SIA) the last seven days of an individual's life under certain circumstances. Are MCO's in the CHIP program legally required to pay this? When we approached our MCO regarding this, they stated they will only pay one rate and were surprised about the SIA payments.
Answer: CHIP hospice providers receive two-tiered routine home care payments based on the number of days a member is in hospice care. For the first 60 days of routine home care, the routine home care rate is the higher base payment rate. Beginning on the 61st day, the routine home care rate is the reduced base payment rate. The Service Intensity Add-on (SIA) is an addition to the routine home care rate and is not a required rate for CHIP hospice services. SIA is the Continuous Home Care (CHC) hourly rate. To claim the SIA, the hospice provider must submit:

- documentation of the in-person, skilled services provided by the RN, the social worker, or both:
- the times the services were provided; and

- the Individual Election/Cancellation/Update Form indicating the hospice election was cancelled due to death.

A hospice provider with SIA reimbursement questions should contact hospicepolicy@hhs.texas.gov.

Question: What steps should a hospice provider take if they have not received payment for authorized hospice services?
Answer: A Medicaid hospice provider who has submitted a hospice claim and has not received reimbursement should contact HHSC LTC Provider Claims Payment at 512-438-2200 and select Option 1 when prompted.

A CHIP hospice provider who has submitted a hospice claim and has not received reimbursement from the MCO should first contact the MCO. A CHIP hospice provider can find information on how to file a payment dispute with the MCO in the MCO's provider manual, which each MCO must post on their website.

Question: I have heard that MCO's in the CHIP program are refusing to pay Medicaid hospice providers their CMS directed per diem rate. We have a right to be paid in full for services rendered under each per diem (routine, inpatient care, respite care and continuous home care). Each rate is substantially different in dollar amounts and what services they cover. Legally, how can an MCO state that they will ONLY pay us for all per diems at the routine home care rate?
Answer: More information is needed before HHSC can respond to this question. A hospice provider with questions about reimbursement should submit the details of the question and any supporting documentation to hospicepolicy@hhs.texas.gov. To submit a CHIP hospice provider complaint, send an email to HHSC Managed Care Compliance and Operations (MCCO) at hpm_complaints@hhsc.state.tx.us. More information on how to file a complaint with HHSC MCCO can be found here.

Question: What if the hospice is not satisfied with the payment. Is dispute resolution available to the hospice provider?
Answer: Providers can appeal Medicaid fee-for-service claims to TMHP through the Automated Inquiry System (AIS) or paper. Providers must file all payment disputes no later than 120 days after the date of original denial. CHIP hospice providers can submit claims payment appeals to the CHIP MCO. If after completing the CHIP MCO appeal process, the provider believes they did not receive full due process from the MCO, they may file a complaint to HHSC Managed Care Compliance and Operations (MCCO) More information on how to file a complaint with HHSC MCCO can be found here.

Question: Is there any contact information available?
Answer: Please note the following two additional options. All other contact information has been shared throughout the FAQ.

- Medicaid hospice policy questions email: hospicepolicy@hhsc.state.tx.us.
- Medicaid hospice billing, claims, rate and authorization questions call: (512) 438-2200.