State of New Jersey
DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
CN 712
TRENTON, NEW JERSEY 08625
(609) 588-2600

ALAN J. GIBBS
Commissioner

SAUL M. KILSTEIN
Director

MEDICAID COMMUNICATION NO. 92-25 **DATE: September 15, 1992**

TO: **COUNTY WELFARE AGENCY DIRECTORS**

SUBJECT: **HOSPICE SERVICES**

EFFECTIVE: September 1, 1992

The purpose of this communication is to announce the coverage of hospice services to Medicaid recipients and to inform you of the policies and procedures governing the provision of these services.

This **MEDICAID COMMUNICATION NO. 92-25, DATED SEPTEMBER 15, 1992** supersedes the **MEDICAID COMMUNICATION NO. 91-15, DATED JULY 1, 1991.** Please retain both communications for your future reference.

BACKGROUND: New Jersey statute (N.J.S.A. 30:4D-6d (20)) authorizes the provision of hospice services in the Title XIX (Medicaid) program. Also, effective July 1, 1991, pursuant to the Omnibus Budget Reconciliation Act of 1986 (OBRA), section 9435 of P.L. 99-509, the New Jersey Medicaid program reimburses hospice providers for room and board services provided in conjunction with **MEDICARE** hospice care for a dually eligible Medicare/Medicaid recipient who resides in a Medicaid approved nursing facility.

Hospice services are defined as a philosophy and method of caring for the terminally ill emphasizing supportive and palliative rather than curative care. Hospice services also include bereavement counseling and pain control. Currently, hospice providers in New Jersey are hospital-based, or free-standing home health agencies, or free-standing hospice agencies.

This communication does not apply to hospice care provided as a Medicaid waiver service under the AIDS Community Care Alternatives Program (ACCAP). Hospice services under ACCAP are described in the **MEDICAID COMMUNICATION 87-10,** dated March 30, 1987 and the **MEDICAID COMMUNICATION 88-9,** dated February 25, 1988.

I. COVERED SERVICES

The New Jersey Medicaid program reimburses hospices who are Medicaid approved and Medicare certified, for an all-inclusive package of covered services on a per diem basis. Hospice services must be reasonable and necessary for the palliation and management of terminal illness and consistent with the hospice's plan of care for the recipient. Hospice services include nursing care, medical social services, supervisory physician services, counseling services, durable medical equipment and supplies including drugs and biologicals, homemaker/home health aide services, physical therapy, occupational therapy and speech-language pathology services.

In addition to payment for the package of covered services listed above, the New Jersey Medicaid program also reimburses a Medicaid approved hospice for room and board services provided to a Medicaid hospice recipient residing in a nursing facility. Room and board services are provided under contract between a hospice and a nursing facility. These services include the performance of personal care services, assistance in activities of daily living, provision of patient social activities, the administration of medications, the maintenance of cleanliness of the resident's room, and supervision and assistance in the use of durable equipment and prescribed therapies (identical to those provided to non-hospice recipients in a nursing facility).

For individuals dually eligible for Medicare and Medicaid, the hospice benefit must be elected under both programs. For those residing in a nursing facility (NF), Medicare reimburses the hospice for hospice services, except for room and board services which are reimbursed by Medicaid. Medicare co-payments for inpatient respite care and drugs and biologicals are also reimbursed by Medicaid for dually eligible Medicare/Medicaid recipients.

The hospice applicant agrees to waive most regular Medicaid services by signing the Election of Hospice Benefits Statement (FD-378). Under certain limited conditions, other Medicaid approved services that are unrelated to the terminal illness and are not duplicative of hospice services, e.g., transportation, dental and vision care services, may be provided. These services (except physician services) must be approved by the hospice agency indicated in the hospice plan of care and may continue to be billed to the fiscal agent by the provider in accordance with the established policies and procedures specified in each relevant Medicaid provider manual.

A limited access Medicaid Eligibility Identification (MEI) Card with the statement **"Except for hospice and physician services, check with the hospice provider for other services"** will be issued to a Medicaid recipient who is eligible for hospice services. When the eligibility card is presented to the provider, the provider (except for physician services) **must obtain approval** from the hospice to provide the services.

It is anticipated that the MEI card will be system-generated. Prior to production of a systems-generated MEI card, the CWA must prepare and issue the MEI card specifying the language listed above for individuals eligible for hospice services.

II. RECIPIENT ELIGIBILITY

In order to receive hospice services through Medicaid, an individual must be eligible for Medicaid either in the community or in an institution. A new eligibility group is being established for hospice services consisting of persons residing in the community who would be eligible if they were residing in a nursing facility and are medically qualified for hospice services.

Financial eligibility is determined by the county welfare agency (CWA) for all individuals except for Supplemental Security Income (SSI) eligibles and for Division of Youth and Family Services (DYFS) children under foster care who are currently Medicaid eligible. SSI eligibles should be referred to the appropriate Medicaid District Office (MDO) so that their records on the Medicaid eligibility file are updated for hospice services. For children under DYFS foster care, the appropriate DYFS District Office should be contacted to update the Medicaid eligibility file for hospice services.

Medicaid eligibles or persons who might be applicants for Medicaid hospice services already residing in a nursing facility who express interest in hospice services should be referred to the appropriate MDO or CWA of the county in which the facility is located, as applicable. Persons in the community should be referred to the CWA. Persons waiting for placement in a nursing facility should be referred to the appropriate MDO in their county of residence.

When providing services to a member of the Garden State Health Plan (GSHP), or another HMO, an authorization number must be obtained from the recipient's GSHP or other HMO physician case manager **prior** to providing services to hospice recipients. Hospice agencies must use this authorization number when billing for services provided to a GSHP or other HMO member.

In addition to financial eligibility, the individual applying for Medicaid hospice eligibility must meet the following conditions:

i. Voluntarily elect the hospice services;

ii. If eligible for Medicare, must assign his or her Medicare Part A benefits for hospice care. For dually eligible Medicare and Medicaid hospice recipients, the hospice benefits election applies simultaneously under both the Medicare and Medicaid programs;

iii. Be certified terminally ill by the attending physician;

iv. Be certified that hospice services are reasonable and necessary for the palliation or management of the terminal illness or related conditions by the attending physician by the completion of the Physician Certification/Recertification for Hospice Benefit Form, (FD-385). A copy of this form must be part of the medical record at the hospice agency; and

v. Have a plan of care for hospice services established prior to and consistent with the provision of hospice services and waive all rights to those hospice services provided by a hospice other than the one designated by the recipient (unless provided under written arrangements made by the designated hospice).

III. COUNTY WELFARE AGENCY RESPONSIBILITY

The hospice is required to complete and send the Hospice Eligibility Form (FD 383) to the CWA. The CWA should return this form with a copy of the **"Special Program"** screen of the Medicaid eligibility file to the hospice. (See attached Hospice Eligibility Form (FD 383) and Instructions for Submitting the Hospice Eligibility Form (FD-383)).

The CWA will be responsible for accreting and deleting Medicaid recipients who are eligible for hospice services to the **"Special Program "** screen of the file. The special program number 15 is designated for hospice eligibility.

The CWAs are requested to refer applicants or Medicaid recipients inquiring about hospice services to Medicaid approved hospice providers. The hospice is responsible for a determination of medical eligibility for hospice services, the completion of the Physician Certification/ Certification/Recertification Form for Hospice Benefits (FD-385), and the completion of the Election of Hospice Benefits Statement (FD-378). Attached is a list of currently enrolled Medicaid approved hospice providers.

IV. RETROACTIVE ELIGIBILITY:

Retroactive eligibility for hospice services will not be available prior to September 1, 1992. No retroactive eligibility payment will be authorized for hospice services prior to the date the Election of Hospice Benefits Statement (FD-378) is signed by the hospice applicant or his or her representative. Retroactive eligibility for hospice services may be established for up to three months prior to the date of Medicaid eligibility provided the Election of Hospice Benefits Statement (FD-378) had been signed. Such cases must be referred to the following address for determination of retroactive eligibility:

Division of Medical Assistance and Health Services
Retroactive Eligibility Unit
CN-712
Trenton, New Jersey 08625-0712

V. NURSING FACILITY ADMINISTRATIVE PROCESS (for admission and discharge from hospice)

1. If a recipient of hospice services is admitted to a nursing facility (NF) from any location, or is changed from nursing facility status to hospice status (while residing in a nursing facility), or is discharged from the hospice or dies, the NF must submit to the appropriate MDO and the CWA, a completed Notification from Long Term Care Facility of Admission or Termination of a Medicaid Patient (MCNH-33) to prompt a change in the recipient's status from nursing facility patient to hospice patient.

   i. Upon receipt, the CWA or MDO must convert the patient from an NF patient to a hospice patient using a unique **"Special Program Number 15"** which reflects hospice status.

   ii. Also, if the hospice recipient revokes hospice services and returns to NF care, or is discharged, or dies, the NF must again submit a completed MCNH-33 to the CWA and the MDO to reflect the change in eligibility status.

2. If the recipient residing in an NF chooses hospice benefits, the NF must submit to the fiscal agent, a completed Long Term Care Facility Turnaround Document (TAD)(MCNH-117) to remove the patient from the Long Term Billing System.

The hospice recipient is removed from the Long Term Care Billing System effective on the date the Election of Hospice Benefits Statement (FD-378) is signed. On the date the recipient signs the Election of Hospice Benefits Statement and thereafter, Medicaid will no longer reimburse the NF directly for any services rendered to the hospice recipient. The hospice under contract with an NF will be responsible for reimbursing that NF for room and board services provided by the NF to the hospice recipient.

3. If the recipient revokes hospice benefits and returns to NF care, the NF must complete and submit the MCNH-117 form to the fiscal agent to admit the patient back into NF care and the Long Term Care Billing System.

   The effective date of the change from hospice care to nursing facility care is the date the Revocation of Hospice Benefits Statement is signed by the hospice recipient or his or her representative. The nursing facility will be reimbursed by Medicaid for care provided on this date and thereafter, and the hospice will no longer be reimbursed for care beginning on this date.

VI. APPLICATION OF THE RECIPIENT'S AVAILABLE INCOME

For a recipient who is residing in a nursing facility and receiving hospice under Medicaid, payment to the hospice for room and board services must be reduced by the recipient's available income. An accurate Statement of Available Income for Medicaid Payment (PA-3L) must be generated in accordance with usual practice by the CWA and sent to the hospice.

1. **ON ADMISSION FROM A NURSING FACILITY:** For the recipient who is admitted to hospice care status from an NF during a given calendar month, the available income may have already been utilized by the NF to offset the cost of care in the same month of admission to hospice care status. Thus, no income is available to the hospice for the first calendar month. This applies only if it is a partial calendar month of hospice room and board services. No new PA-3L is generated by the CWA but a copy of the PA-3L form must be obtained by the hospice from the NF and kept in the patient's record.

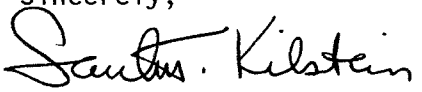
2. **ON DISCHARGE:** For the discharge month in hospice care, the available income amount shown on the PA-3L must be applied to the cost of care. If the income exceeds the charge for that month, the balance of income not applied to the cost of care shall be returned to the recipient, except under the following circumstances:

i. In accordance with existing policy, for the hospice recipient who is discharged to the community, the amount of available income must be reduced by an amount to cover living expenses. This amount must be reflected on the PA-3L form. When the PA-3L does not reflect the reduction, the hospice has been advised to contact the CWA to effect the change.

ii. For the hospice recipient who is admitted to nursing facility care (in the same or a different NF) after being discharged from the hospice, the hospice must provide information to the NF concerning the amount of available income which was applied to the bill in the discharge month so that the NF may accurately reflect the balance amount for the NF admission month billing. The nursing facility must also complete an MCNH-33 form to notify the CWA and MDO of the discharge of the hospice patient from hospice care and the income applied to the hospice service, so that the CWA can issue a new PA-3L form for the month of admission to the NF.

For further information or questions regarding this Medicaid Communication, please contact Judith Johnston, Social Work Consultant, Office of Home Care Programs at (609) 588-2733 or (609) 588-2751.

Sincerely,



Saul M Kilstein
Director

SMK:jms

cc: Marion E. Reitz, Director
Division of Family Development

Nicholas Scalera, Director
Division of Youth and Family Services

Attachments: Medicaid Hospice Provider List
Hospice Eligibility Form (FD-383)(6/92)
Instructions for Submitting the Hospice Eligibility Form, (FD-383)(6/92)

MEDICAID HOSPICE PROVIDER LIST

NAME	COUNTY OF MAIN OFFICE
Atlantic City Medical Center Hospice 1406 Doughty Road Pleasantville, N.J. 08232 (609) 272-2424 Diana Cierczak	Atlantic County
Barbara E. Cheung Memorial Hospice P.O. Box 151, CN 4003 Metuchen, N.J. 08840-0151 (908) 321-9334 Mary Puliese	Middlesex County
Center for Hope Hospice, Inc. 176 Hussa Street Linden, N.J. 07036 (908) 486-0700 Margaret J. Coloney	Union County
Community Medical Center Hospice Program 99 Route 37 West Toms River, N.J. 08755-6423 (908) 914-2100 Harriet Werkman, RN	Ocean County
Cumberland County Hospice P.O. Box 2211 South Vineland, N.J. 08360 (609) 794-1515 Yvonne Crouch	Cumberland County
Haven Hospice JFK Medical Center 65 James Street Edision, N.J. 08818-3059 (908) 321-7769 Juan Vallarino	Middlesex County
Raritan Bay Medical Center, Heart of Hope Hospice 530 New Brunswick Avenue Perth Amboy, N.J. 08861 (908) 324-5173 Marlene Potts	Middlesex County
Holy Redeemer Hospice 1801 Route 9 Swainton, N.J. 08210 (609) 465-2082 Arlene Moffit	Cape May County

8/92

The Hospice, Inc.
3 High Street
Glen Ridge, N.J. 07028
(201) 429-0300
Lorraine M.Sciara
Essex County

The Hospice of Englewood Hospital
350 Engle Street
Englewood, N.J. 07631
(201) 894-333
Patricia Ballerini
Bergen County

Hospice Program of Hackensack Medical Center
385 Prospect Avenue
Hackensack, N.J. 07601
(201) 342-7766
Maryann Collins
Bergen County

Hospice of Morris County
282 W. Hanover Road
Morristown, N.J. 07960
(201) 539-6121
Ann Liebers
Morris County

Hospice of Southern New Jersey, Inc.
P.O. Box 250
150-9th Avenue
Runnemede, N.J. 08078
(609) 939-9000
Patty Belock
Camden County

Hunterdon Hospice, Inc.
C/o Hunterdon Medical Center
189 State Route 31
Flemington, N.J. 08822
(908) 788-6412
Catherine Keevey
Hunterdon County

Karen Ann Quinlan Center of Hope Hospice
136 Woodside Avenue
Newton, N.J. 07860
(800) 882-1117
Marilyn Thompson, RN
Sussex County

MCOSS Nursing Services, Inc.
Hospice Program
1100 Wayside Road
Asbury Park, N.J. 07712
(908) 493-2220
Barbara Buczny
Monmouth County

State of New Jersey
Department of Human Services
Division of Medical Assistance and Health Services

HOSPICE ELIGIBILITY FORM

THIS SECTION TO BE COMPLETED BY THE HOSPICE AGENCY

_____ Initial application _____ Change in status _____ Change of address

1. Recipient's Name _____

2. HSP (Medicaid) Case# _____

3. Recipient's Address
_____
_____
_____

4. Birthdate: _____
Sex: Male_____ Female_____
SSN: _____
Race: _____

5. Is the recipient currently receiving Room and Board Service in a nursing facility:
Yes ____ No ____ If yes, give name and address of facility:

6. Medicare entitlement: PART A: Yes ____ No ____ PART B: Yes____ No
HIC# _____

7. Medicaid eligibility: Yes ____ No ____ Unknown____
If no, give the name of the person, the relationship to recipient, and the telephone number of the person who will initiate the Medicaid application.

8. Other insurance (Include company name, policy number, and policy holder):

9. ___Election of hospice benefit on _____ Physician Certification on _____

10. ___Termination of benefit on _____
Reason: Death ____ Revocation ____ Other (Explain)_____

11. ____ Change of hospice provider on _____

From: _____, Medicaid Provider Billing No._____
To: _____, Medicaid Provider Billing No._____

Name, Address and Medicaid Provider Billing Number of provider submitting form:

Contact person and telephone number:_____ Date:_____

THIS SECTION TO BE COMPLETED BY THE MDO, CWA, OR DYFS DISTRICT OFFICE AS CONFIRMATION OF ELIGIBILITY

12. Medicaid eligibility effective date:_____Termination date: _____
13. HSP (Medicaid) Case # (if not entered above): _____
14. Attach copy of computer screen showing effective date and termination date of "Special **Program Code 15**".

Note: Hospice eligibility dates correspond to election or revocation dates.

Contact person and telephone number: _____ Date_____

Agency_____

FD-383 (6/92)

INSTRUCTIONS FOR SUBMITTING THE HOSPICE ELIGIBILITY FORM (FD-383 (6/92))

The Hospice Eligibility Form (FD-383 (6/92)) is to be initiated by the hospice provider. The purpose of this form is to ensure that the recipient is medically and financially eligible for Medicaid hospice services and is identified in the eligibility system at the CWA, MDO, or DYFS District Offices as a hospice recipient (Special Program Segment 15). Accurate completion of this form will ensure payment to the hospice provider for services provided to Medicaid hospice recipients.

Form FD-383 should also be completed by the hospice provider when the person elects or revokes the hospice benefit, the Medicaid recipient dies, if there is a change of hospice providers, or a change in Medicaid recipient's address.

The first section of form FD-383 must be completed by the hospice provider and sent to the agencies as follows:

* To the Medicaid District Office (MDO) for SSI eligibles.
* To the County Welfare Agency (CWA) of the person's residence for Medicaid Only and New Jersey Care...Special Medicaid Programs applicants.
* To the Division of Youth and Family Services' (DYFS) District Office for children in DYFS foster care.

The hospice provider must send the original copy of form FD-383 to one of the above agencies with a copy to:

Division of Medical Assistance and Health Services
Hospice Program
CN-712
Trenton, New Jersey 08625-0712

The MDO, CWA, or DYFS District Office will process the data and return a copy of form FD-383 to the hospice provider with a copy of the computer screen showing the effective date and termination date of "Special Program Code 15". Please refer to the Hospice Services Manual instructions for more detail on the eligibility process.