

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

**ACTION REFERRAL**

TO <i>Hess</i>	DATE <i>9-20-12</i>
-------------------	------------------------

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>100077</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>CC: Mr. Heck, Singleton, Deps, CMS file</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____
	<input type="checkbox"/> FOIA DATE DUE _____
	<input checked="" type="checkbox"/> Necessary Action

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1.			
2.			
3.			
4.			

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Atlanta Regional Office  
61 Forsyth Street, SW Suite 4T20  
Atlanta, Georgia 30303



**DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS**

September 12, 2012

**RECEIVED**

SEP 17 2012

Mr. Anthony E. Keck, Director  
Department of Health & Human Services  
1801 Main Street  
Columbia, SC 29201

Department of Health & Human Services  
**OFFICE OF THE DIRECTOR**

Dear Mr. Keck:

This letter contains the Medicaid hospice payment rates for Federal Fiscal Year (FY) 2013. The Medicaid hospice payment rates are calculated based on the annual hospice rates established under Medicare. These rates are authorized by section 1814(i)(1)(C)(ii) of the Social Security Act (the Act) which also provides for an annual increase in payment rates for hospice care services. Rates for hospice physician services are not increased under this provision.

The Medicaid hospice payment rates for care and services provided from October 1, 2012, through September 30, 2013, are as follows:

DESCRIPTION	DAILY RATE	WAGE COMPONENT SUBJECT TO INDEX	NON-WEIGHTED AMOUNT
Routine Home Care	\$153.65	\$105.57	\$48.08
Continuous Home Care	\$895.91 full rate=24hrs. of care/\$37.33 hourly rate	\$615.58	\$280.33
Inpatient Respite Care	\$167.07	\$90.44	\$76.63
General Inpatient Care	\$682.59	\$436.93	\$245.66

In addition, section 1814(i)(2)(B) of the Act provides for an annual increase in the hospice cap amounts. The hospice cap runs from November 1<sup>st</sup> of each year through October 31<sup>st</sup> of the following year. The hospice cap amount for Medicare for the cap year ending October 31, 2012, is \$25,377.01. This cap is optional for the Medicaid hospice program. States choosing to implement this cap must specify its use in the Medicaid state plan.

On July 27, 2012, the Centers for Medicare & Medicaid Services (CMS) published a notice (CMS-1434-N) to update the Medicare Hospice Wage Index for FY 2013,  
<http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/Hospice/Hospice->

Mr. Anthony E. Keck, Director

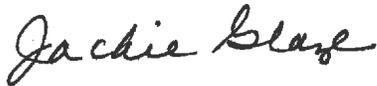
Page 2

Regulations-and-Notices-Items/CMS-1434-N.html. You may find the wage index at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-payment/Hospice/index.html>. (Scroll down to "Downloads" section and click on FY 2013 Wage Index.) This new wage index, effective October 1, 2012, should be used by states to adjust the wage component of the daily hospice payment rates to reflect local geographical differences in the wage levels. The daily hospice rates specified above are base rates, which must be revised accordingly when the wage component is adjusted.

Please inform your staff and hospice providers in your jurisdiction of these new payment rates, which are effective October 1, 2012.

If you have any questions regarding this letter, please contact Maria Drake at 404-562-3697. This information may be found on CMS' website at <http://www.cms.gov/Center/Provider-Type/Hospice-Center.html>. (Under "Important Links", scroll down to "Medicaid Information.")

Sincerely,



Jackie Glaze

Associate Regional Administrator

Division of Medicaid & Children's Health Operations