



STATE OF MARYLAND

DHMH

Office of Health Services
Medical Care Programs

Maryland Department of Health and Mental Hygiene
201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – John M. Colmers, Secretary

To: Hospice Administrators

From: Marc A. Blowe, Chief *MB*
Division of Community Long Term Care Services

Subject: Revised - Maryland Medicaid Hospice Program Rates Fiscal Year 2009
due to the American Recovery and Reinvestment Act

Date: June 11, 2009

The American Recovery and Reinvestment Act of 2009, revises the Hospice wage index previously published in final in the Federal Register on August 8, 2008. This Act requires the elimination of the budget neutrality adjustment factor (BNAF). As a result, Maryland Medicaid has re-calculated its Hospice payment rates for fiscal year 2009. Enclosed is a copy of the revised Maryland Medicaid Hospice rates effective October 1, 2008 through September 30, 2009. Please distribute the attached rate chart to the staff in your organization responsible for billing Maryland Medicaid for Hospice services.

Due to revisions in the Hospice wage index, the Hospice cap amount for the year ending October 31, 2008 has been increased to \$22,386.15. In computing the cap, the Centers for Medicare and Medicaid Services used the medical care expenditure category of the March 2008 Consumers Price Index for all Urban Consumers, published by the Bureau of Labor Statistics (see <http://www.bls.gov/cpid0803.pdf>) which was 363,000. Please note federal rules allow for an annual increase in the Hospice Cap amounts which runs from November 1st of each year through October 31st.

Maryland Medicaid Hospice providers are not required to submit claim adjustments due to the changes in the fiscal year 2009 Hospice rates. A retroactive mass adjustment will be initiated by Maryland Medicaid to ensure claims previously submitted are adjusted in accordance with the revised rates.

If you have any questions regarding these changes, please call the Division of Community Long Term Care staff at (410) 767-1444 or 1-877-4MD-DHMH ext. 1444. You may visit the CMS website at <http://www.cms.hhs.gov/center/hospice.asp> to obtain supporting documentation regarding the annual change in Medicaid Hospice payment rates.

Enclosure

MAB/BV/bc

cc: Samuel Colgain, III
Bernice Drumgo-Voss

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