



Date: January 5, 2021

To: Medicaid Hospice Providers

Subject: Information Letter 2021-02  
Federal Fiscal Year 2021 Payment Rates for Medicaid Community  
Hospice

The Texas Health and Human Services Commission (HHSC) approved rate changes for the Medicaid Community Hospice program for continuous home care, inpatient respite care, general inpatient care, routine home care, and the service intensity add-on effective retroactive to October 1, 2020.

The increased payment rates were calculated in accordance with federal regulations on payment for hospice care, as located in Title 42 of the Code of Federal Regulations (CFR), Part 418, Subpart G. Furthermore, 42 CFR 418.306(c) requires Medicaid hospice payment rates to be adjusted every federal fiscal year using the payment rates and county wage index data issued by the Centers for Medicare and Medicaid Services (CMS), as published in the Federal Register.

The Medicaid hospice payment rates are determined per county. For each county, the updated hospice payment rate is multiplied by that county's updated hospice wage index. Unlike urban counties, all rural counties in Texas have the same wage index. The federal fiscal year 2021 hospice wage index was published in the Federal Register on August 4, 2020. CMS subsequently issued notification of the finalized Medicaid hospice payment rates on September 14, 2020.

The approved payment rates are effective October 1, 2020 and can be accessed at the following link: <https://rad.hhs.texas.gov/long-term-services-supports/hospice>

## **Medicaid Community Hospice Quality Data**

Hospice providers are required to comply with section 3004 of the Affordable Care Act and the implementing regulation at 78 Federal Register 48234 (August 7, 2013-CMS-1449-F). Section 3004 of the Affordable Care Act amended the Act to authorize a quality reporting program for hospice providers. Section

1814(i)(5)(A)(i) of the Act requires that, beginning with FFY 2014 and each subsequent federal fiscal year, the Health and Human Services Secretary shall reduce the market basket update by two percentage points for any hospice provider that does not comply with the quality data submission requirements

## **Claims Submission**

Providers should continue to bill using their normal billing process. Since the electronic payment system has been updated with the new rates, a retroactive adjustment will occur allowing the new rate for claims beginning October 1, 2020; therefore, no additional action is required by individual providers.

## **Resources**

Please contact the Provider Finance Department's Long-Term Services and Supports Center for Information and Training if you have any questions about the information in this letter at: [RAD-LTSS@hsc.state.tx.us](mailto:RAD-LTSS@hsc.state.tx.us) or (512) 424-6637.

Sincerely,

*[signature on file]*

Samuel West  
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for Long-term Services and Supports