



**CABINET FOR HEALTH AND FAMILY SERVICES  
DEPARTMENT FOR MEDICAID SERVICES**

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**MEMORANDUM**

**TO:** All Hospice Providers ((PT 44 / PL #A-207)  
All Intermediate Care Facilities for Individuals with Intellectual Disabilities (PT 11 / PL #A-353)

**FROM:** Lee A. Guice, Director  
Division of Policy and Operations 

**DATE:** May 3, 2019

**SUBJECT:** Policy Clarification

The Department for Medicaid Services (DMS) is issuing this clarification for Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) and Hospice providers. The clarification concerns the correct flow of information required to assure payment to all those providing services. When institutionalized Medicaid members elect hospice services there is a specific process that must be followed. Medicaid members residing in an ICF/IID are treated the same as those members residing in a Nursing Facility. 42 CFR 418.112 - Condition of participation: Hospices that provide hospice care to residents of a SSNF/NF or ICF/IID. Therefore, the DMS defined process for Institutional Hospice services must be followed. The process is outlined below:

1. Hospice provider must submit a MAP 374 – Member Election form to DMS for entry into the eligibility system.
2. The eligibility system then recalculates the members' Patient Liability and transmits that information to the Medicaid Management Information System (MMIS), the claims payment system for DMS.
3. MMIS consumes this information in order to assure that claims are paid appropriately.
4. There are edits which allow only the selected Hospice provider claims to pay and deduct the appropriate amount of Patient Liability as applicable. These edits are in place to ensure there is no duplication of payment for services rendered.

As you will note, the process above does not include a payment to the institution. After a member elects Hospice services, all services are to be provided by the selected Hospice provider unless there are medically necessary services unrelated to the terminal condition. Therefore, the Hospice provider is responsible for payment to the institution. Federal regulations require a Hospice provider to enter into a contractual agreement with any institution they may provide services for. This agreement should outline the services provided and the appropriate fee the Hospice provider will remit to the institution for any services they will still provide the member.

Medicaid will assist with paper claims payments until June 1, 2019, for dates of service prior to June 1, 2019, to allow providers needed time to comply with the current process.

For medically necessary services unrelated to the terminal condition, there is a prior authorization process through Medicaid's utilization vendor and a process for a paper claim submission.

If you have questions concerning this process, please contact Kimberly Bickers at [Kimberly.Bickers@ky.gov](mailto:Kimberly.Bickers@ky.gov).

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