
Understanding Medicare Payment for Hospice Care

The Hospice Medicare Benefit was created to help people facing serious illness receive comprehensive care that enhances quality of life. The payment system that Medicare uses to reimburse for hospice services is different than how it pays for other types of care.

We want you to feel comfortable knowing:

- **How hospice services are paid for through the Hospice Medicare Benefit**
- **How to read a Medicare Summary Notice (MSN) sent by the Center for Medicare and Medicaid Services (CMS)**
- **How to contact us with any questions or concerns you may have.**

How does Medicare pay for hospice care?

- Hospices are paid a daily rate that is set by the federal government. This daily rate is called a “per diem.”
- Medicare has set payment rates for each of four Levels of Care that can be provided by a hospice.
- The four Levels of Care defined by Medicare are:
 - Routine Home Care
 - General Inpatient Care
 - Respite Care
 - Continuous Care
- The Level of Care depends upon the unique needs, goals, and priorities of the person and family receiving care. The Level of Care can change at any time.
- While receiving hospice care, it is expected that the Level of Care, the type and number of care visits, and the need for special equipment, supplies or medications will vary as the patient’s and family’s needs change.
- The daily rate paid by Medicare covers all nursing, counseling, and spiritual care, durable medical equipment, outpatient care, inpatient care, 24-hour on call support, medical supplies and medications related to the diagnosis for which the patient was admitted to hospice.
- Medicare requires hospices to report the frequency and estimated price value of particular types of care visits even though Medicare does not pay for care on a visit by visit basis.

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What is the Medicare Summary Notice (MSN)?

The Center for Medicare and Medicaid Services (CMS) periodically sends a Medicare Summary Notice (MSN) to hospice patients or their representatives.

- The Medicare Summary Notice is NOT a bill. It is a summary of some of the services that hospice has provided.
- You are NOT responsible for any of the “charges” listed on the Notice.
- The Notice tells you the total amount Medicare has paid to the hospice for services provided during the dates indicated. This information is found in the “Services Provided” column and is identified by a code starting with a Q and followed by 5 numbers [example: Hospice in hospice facility (Q5006).] The specific amount paid by Medicare is listed as an “Amount Charged” in the next column.
- The Notice also includes a list of some of the care visits made during the period of time specified on the Notice. You will find these listed under the heading “Services Provided.”
- The types of visits included in the list are limited to skilled nursing, hospice aide, social worker, and physician visits.
- Other hospice services and care visits are not reflected on the Notice. Medications, equipment, supplies, chaplain visits, volunteer visits, and palliative arts visits are examples of services NOT listed in the “Services Provided” column.

What are the visit-by-visit charges listed on the Medicare Summary Notice (MSN)?

- Next to each visit listed on the Notice you will see a dollar amount listed in the “Amount Charged” and in the “Non-covered Charge” columns. These are NOT actual charges to you or to Medicare.
- Keep in mind that Medicare’s payments are based only on the Level of Care and are a flat daily rate no matter how many care visits are provided. The frequency and type of visit often changes over time.
- Medicare requires every hospice to report when certain care visits take place AND the estimated value of each visit. Those values are the numbers you see listed in the charges columns.
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Hospice is required by law to provide Medicare with the visit information and is in NO way seeking additional payment from Medicare nor from any patient or family member.

- Hospice does NOT receive any payments based on the individual visits listed under “Services Provided” or the values listed in the “Amount Charged” and “Non- Covered Charge” columns.

How do I read my Medicare Summary Notice?

An example of a “Medicare Summary Notice” is attached.

Look for:

- The Medicare number in the box in the upper right corner of the Notice.
- The time range covered by the Notice. These dates are listed in the “Dates of Service” column.
- The monthly total that Medicare paid to hospice. This is highlighted in bold print under “Amount Charged” and has \$0.00 listed in the “Non- Covered Charges” column.
- The partial list of care visits in the “Services Provided” column.
- The listed value of each care visit. These values are found in the “Amount Charged” and “Non-Covered Charges” columns. This information is provided to Medicare as required by law and is NOT a request from hospice for payment from Medicare or any individual.

What if I have a question?

- Please ask. We want you to feel confident that you understand your Medicare Benefits and how hospice reimbursement works.
- We will happily take the time to go over your Medicare Summary Notice with you.
- Always feel free to contact your Hospice Care Team with any questions, comments, or concerns.
- You can also contact Medicare directly by calling 1-800-Medicare.
- Caring for you and your loved ones as members of our Hospice family is our privilege. Thank you for sharing your questions and concerns with us.