

Report on Medicare Compliance Volume 30, Number 8. March 01, 2021

CMS: New Addendum Is Required for Non-Covered Services as a Hospice Condition of Payment

By Nina Youngstrom

After a patient with a terminal diagnosis of end-stage renal disease (ESRD) was admitted to hospice care, he continued to receive treatment for diabetes. Because the diabetes is related to the ESRD, the hospice absorbs the costs of the diabetes medication and treating his diabetic wounds. But when the patient sees a podiatrist for brittle nails, there's a question of where the charges should land. If they're unrelated to the diabetes, the podiatrist will bill Medicare directly, but related services are the hospice's responsibility. The answer, writ large across Medicare, is potentially a very expensive one, and CMS wants more transparency to avoid separate charges for goods and services that should have been included in hospice per diem payments.

To that end, hospices are now required to give patients, at their request, a hospice election statement addendum—which notifies them of items, services and drugs not covered under the Medicare hospice benefit—in addition to the election statement. The addendum, which was announced in the 2020 Hospice Payment Rate Update final rule,^[1] didn't take effect until Oct. 1, said Regina Alexander, director of IRO Services at BerryDunn. CMS also modified the election statement in the 2021 hospice regulation and provided a model hospice election statement and addendum^[2] ^[3]

Hospices should be on high alert. The addendum is a condition of payment, and it has precise requirements, Alexander said. Also, the HHS Office of Inspector General has an audit item^[4] on its Work Plan of Medicare payments made outside of the hospice, which it said it will issue this year. "The hospice agency assumes responsibility for medical care related to the beneficiary's terminal illness and related conditions," OIG explained. "Medicare continues to pay for covered medical services that are not related to the terminal illness." The new, mandatory addendum lists the noncovered items and services that relate to the hospice patient's terminal illness and related and unrelated diagnoses after consultation with the hospice physician, Alexander said. Medicare requires hospices to give patients or their representatives the addendum within five days of signing the election statement (if they want it) or three days after they request it if it was initially declined.

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