
CMS Manual System

Pub. 100-04 Medicare Claims Processing

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal 386

Date: DECEMBER 3, 2004

CHANGE REQUEST 3585

SUBJECT: Hospice Pre-Election Evaluation and Counseling Services

I. SUMMARY OF CHANGES: Section 512 of the Medicare Prescription Drug Improvement and Modernization Act of 2003, amends sections 1812(a), 1814(i) and 1861(dd) of the Act, effective January 1, 2005, to provide for payment to a hospice for specified hospice pre- election evaluation and counseling services furnished by a physician who is either the medical director of or employee of the hospice agency.

Beginning January 1, 2005, this provision provides for a one-time payment for specified services furnished by a physician who is either the medical director of or employee of a hospice agency. Payment will be made on behalf of a beneficiary who is terminally ill, (defined as having a prognosis of 6 months or less if the disease runs its normal course), has not made a hospice election and has not previously received hospice pre-election evaluation and counseling services. Chapter 11, (Processing Hospice Claims) in Pub. 100-04, Medicare Claims Processing Manual has been amended to reflect the implementation of this provision. Chapter 9 (Coverage of Hospice Services Under Hospital Insurance) of Pub.100-02, Medicare Benefit Policy Manual has been amended to reflect policy changes to for implementing this provision. In addition, contractor system changes have been made to permit submission of claims.

HCPCS code G0337 “Hospice Pre-Election Evaluation and Counseling Services,” will be used to designate that these services have been provided. Hospice agencies will bill their Regional Home Health Intermediary, using the designated G0337 code for specified services provided by a physician who is either the medical director of or employee of the hospice agency.

NEW/REVISED MATERIAL - EFFECTIVE DATE*: January 1, 2005

IMPLEMENTATION DATE: January 3, 2005

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual not updated.)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	11/Table of Contents
N	11/10.1/Hospice Pre-Election Evaluation and Counseling Services

III. FUNDING: Medicare contractors shall implement these instructions within their current operating budgets.

IV. ATTACHMENTS:

X	Business Requirements
X	Manual Instruction
	Confidential Requirements
	One-Time Notification
	Recurring Update Notification

***Unless otherwise specified, the effective date is the date of service.**

Attachment - Business Requirements

Pub. 100-04	Transmittal: 386	Date: December 3, 2004	Change Request 3585
-------------	------------------	------------------------	---------------------

SUBJECT: Hospice Pre-Election Evaluation and Counseling Services

I. GENERAL INFORMATION

A. Background: Section 512 of the Medicare Prescription Drug Improvement and Modernization Act of 2003, amends sections 1812(a), 1814(i) and 1861(dd) of the Act, effective January 1, 2005, to provide for payment to a hospice for specified hospice pre- election evaluation and counseling services furnished by a physician who is either the medical director or employee of the hospice agency.

B. Policy: This provision provides for a one-time payment for specified services furnished by a physician who is either the medical director of or employee of a hospice agency. Payment will be made on behalf of a beneficiary who is terminally ill, (defined as having a prognosis of 6 months or less if the disease runs its normal course), has not made a hospice election and has not previously received hospice pre-election evaluation and counseling services.

Beginning January 1, 2005, Medicare pays for specified services provided by a physician who is either the medical director of or employee of the hospice agency. Chapter 9 (Coverage of Hospice Services Under Hospital Insurance) of Pub. 100-02, Medicare Benefit Policy Manual and Chapter 11 (Processing Hospice Claims) of Pub. 100-04, Medicare Claims Processing Manual will be amended to reflect the implementation of this provision. In addition, intermediary system changes will be made to permit submission of claims.

HCPCS code G0337 "Hospice Pre-Election Evaluation and Counseling Services," will be used to designate that these services have been provided. Hospice agencies will bill their Regional Home Health Intermediary, using the designated G0337 code for specified services provided by a physician who is either the medical director of or employee of the hospice agency.

C. Provider Education: A Medlearn Matters provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article must be included in your next regularly scheduled bulletin. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
3585.1	Medicare systems shall pay for hospice pre-election evaluation and counseling consultation services for terminally ill beneficiaries provided by the medical director or a physician employed by the hospice for dates of service on or after January 1, 2005.					X				
3585.1.1	Medicare systems shall pay hospice agencies directly for hospice pre-election evaluation and counseling services provided by the medical director or a physician employed by the hospice.					X				
3585.2	Medicare systems shall pay for hospice pre-election evaluation and counseling services billed by a hospice to the fiscal intermediary as a Part A Medicare benefit.					X				
3585.3	Medicare systems shall require the presence of HCPCS code G0337 for claims billed for hospice pre-election evaluation and counseling services.					X				
3585.3.1	Medicare systems shall require providers to complete all applicable claim form elements of Form CMS-1450 or its electronic equivalent as outlined in Pub. 100-04, Medicare Claims Processing Manual, Chapter 11, Section 20.1.2.					X				
3585.3.2	Medicare systems shall ensure hospice bill types submitted for this service with HCPCS code G0337 will not be subject to the usual required match to an established hospice benefit period.								X	
3585.3.3	Medicare systems shall only allow HCPCS G0337 when submitted with types of bill 81x or 82x and revenue code 0657 and no other revenue codes appear on the claim.					X				

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
3585.3.4	Medicare systems shall not subject types of bill 81x or 82x with HCPCS G0337 to hospice specific editing.					X				
3585.4	Medicare systems shall only pay for claims submitted on behalf of beneficiaries who have no previous hospice elections.								X	
3585.5	Medicare systems shall pay for hospice pre-election evaluation and counseling services no more than one time only per beneficiary.								X	
3585.6	CWF shall reject claims submitted for payment authorization for “new patient” physician services reported within HCPCS range 99201-99205 when payment was already made by an RHHI for HCPCS code G0337 for the same beneficiary, furnished on the same date of service, by the same physician.								X	
3585.6.1	Medicare contractors shall deny services within HCPCS range 99201-99205 that are rejected by CWF because payment by an RHHI was made for HCPCS code G0337 for the same beneficiary, for the same date of service, for the same physician.			X						
3585.6.2	Medicare contractors shall use Medicare Summary Notice (MSN) messages 16.8 and 16.45 and Remittance reason code 97 and Remark code M86 to deny codes 99201-99205 when a CWF reject is received indicating an RHHI has approved/paid code G0337 for the same beneficiary, for the same date of service, furnished by the same physician.			X						
3585.7	Medicare contractors shall identify and deny claims reported with HCPCS code G0337 when a claim for a “new patient” HCPCS code within the 99201-99205 range has already been approved/paid for the same beneficiary, for the same date of service, furnished by the same physician.					X				

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
3585.8	Medicare systems shall generate claim adjustment reason code 97 “Payment is included in the allowance for another service/procedure.” on RHHI claims denied for beneficiaries who received a new patient physician service (99201 – 99205) on the same date as a hospice evaluation and counseling consultation service, pre-election for the same physician.	X								
3585.8.1	Medicare contractors shall use MSN message 16.45 for claims denied for beneficiaries who received a new patient physician service on the same date as a hospice evaluation and counseling consultation service, pre-election.	X								
3585.9	Contractors shall not apply payments for hospice evaluation and counseling consultation services, pre-election to the overall hospice cap amount.	X								
3585.10	Carriers shall deny claim line items for HCPCS code G0337. HCPCS code G0337 is only payable when billed by a hospice to its fiscal intermediary.			X						
3585.10.1	CWF shall reject Part B services for HCPCS code G0337 on HUBC transactions when the carrier payment decision for G0337 is other than a denial.								X	
3585.11	Carriers shall generate MSN Message 17.9 and Remittance Advice code 109 to deny HCPCS code G0337.			X						

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions:

X-Ref Requirement #	Instructions
3585.8.1	MSN message 16.45 “You cannot be billed separately for this item or service. You do not have to pay this amount.”

3585.3.1	Refer to Publication 100-04, Chapter 25—Completing and Processing UB-92 Data Set, for billing instructions and mapping of the UB-92 to the HIPAA X12N 837 institutional transaction.
3585.10	The Carrier Type of Service code for G0337 is “1”.

B. Design Considerations:

X-Ref Requirement #	Recommendation for Medicare System Requirements
3585.3.4	Medicare systems do not need to subject properly coded claims for hospice pre-election evaluation and counseling services to sequential billing edits, hospice Pricer or other hospice specific editing.

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: January 1, 2005</p> <p>Implementation Date: January 3, 2005</p> <p>Pre-Implementation Contact(s): Kelly Buchanan – intermediary claims processing issues – 410-786-6132 Terri Deutsch – policy/coverage/payment issues – 410-786-9462 Bill Stojak – carrier claims processing issues – 410-786-6984</p> <p>Post-Implementation Contact(s): Appropriate Regional Offices</p>	<p>Medicare Contractors shall implement these instructions within their current operating budgets.</p>
---	---

***Unless otherwise specified, the effective date is the date of service.**

Medicare Claims Processing Manual

Chapter 11 - Processing Hospice Claims

Table of Contents

(Rev. 386, 12-03-04)

[Crosswalk to Source Material](#)

10.1 - Hospice Pre-Election Evaluation and Counseling Services

10.1 – Hospice Pre-Election Evaluation and Counseling Services

(Rev. 386, Issued: 12-03-04, Effective: 01-01-05, Implementation: 01-03-05)

Section 512 of the Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA), amends sections 1812(a), 1814(i) and 1861(dd) of the Act, effective January 1, 2005, to allow payment to a hospice for specified hospice pre-election evaluation and counseling services when furnished by a physician who is either the medical director of or employee of the hospice.

This provision provides a one-time only Medicare payment on behalf of a beneficiary who is terminally ill, (defined as having a prognosis of 6 months or less if the disease follows its normal course), has no previous hospice elections, and has not previously received hospice pre-election evaluation and counseling services.

HCPCS code G0337 “Hospice Pre-Election Evaluation and Counseling Services” will be used to designate that these services have been provided by the medical director or a physician employed by the hospice. Hospice agencies will bill their Regional Home Health Intermediaries (RHHIs) directly using HCPCS G0337 with Revenue Code 0657. No other revenue codes may appear on the claim.

Claims for “Hospice Pre-Election and Counseling Services”, HCPCS code G0337, will not be subject to the usual required editing to match the claim to an established hospice period. Further, contractors will not apply payments for hospice pre-election evaluation and counseling consultation services to the overall hospice cap amount.

Medicare must ensure that the Hospice Consultation occurs only one time per beneficiary by imposing safeguards to detect and prevent duplicate billing for similar services. If “new patient” physician services (HCPCS codes 99201-99205) are submitted by the carrier to CWF for payment authorization but HCPCS code G0337 (Hospice Pre-Election Evaluation and Counseling Services) has already been approved for an RHHI bill for the same beneficiary, for the same date of service, by the same physician, the physician service will be rejected by CWF and the service shall be denied as a duplicate. Generate MSN messages 16.8 and 16.45 and Remittance Advice reason code 97 and remark code M86. Likewise, if a “new patient” claim for HCPCS codes 99201-99205 has been approved and subsequently, a bill is submitted by the RHHI to CWF for payment authorization for HCPCS code G0337, (for same beneficiary, same date of service, same physician), CWF shall reject the claim and the RHHI shall deny the bill.

HCPCS code G0337 is only payable when billed by a hospice to its RHHI. Carriers shall not make payment for HCPCS code G0337. Carriers shall deny line items for HCPCS code G0337 and generate MSN message 17.9 and Remittance Advice code 109.