



COMMISSIONER
Chris Traylor

February 10, 2010

To: Hospice Providers

Subject: Texas Department of Aging and Disability Services
Chief Financial Office
Information Letter No. 2010-06
**Update to Billing Instructions for Hospice Enrollees Residing in
State Supported Living Centers (ICF/MR SG4)**

Effective February 1, 2010:

Hospice providers will use modifier U4 in the Modifier 4 location, along with Modifier U3 (Level of Care 1) in the Modifier 2 location, on the **Medicaid Institutional Claim** when billing hospice services for residents of State Supported Living Centers who are Medicare eligible. No action is necessary for claims that were processed and paid for services prior to February 1, 2010.

U4 in Modifier 4 location will reduce the Medicaid payment to comply with federal regulation 42 CFR §423.906, which states that Medical assistance (i.e., Medicaid) for prescription drugs is not available to full-benefit dual-eligible individuals.

As posted on the following Texas Health and Human Services web site, the current interim daily rates for Service Group (SG) 4 are:

\$469.88	Non-Dually Eligible Clients (Medicaid only)	Modifier 4 = blank
\$450.30	Dually Eligible Clients (Medicaid and Medicare)	Modifier 4 = U4

<http://www.hhsc.state.tx.us/medicaid/programs/rad/Mhmr/2010IcfmrPmtRatesStOper.html>

These rates should be used as applicable according to the institutional claim requirements.

For reference, the institutional claim elements for a State Supported Living Center Intermediate Care Facility for Persons with Mental Retardation (ICF/MR) Service Group (SG) 4 hospice recipient are:

- Service Dates Claim line start date through end date (must be within claim month)
- Procedure Code Qualifier HC [Healthcare Common Procedure Coding System (HCPCS) Code]
- Procedure Code T2046 (Hospice long-term care, room and board only; per diem)
- Modifier Location 1 Leave blank
- Modifier Location 2 U3 (Level of Care 1)
- Modifier Location 3 Leave blank
- Modifier Location 4 U4 (enter only if hospice recipient has Medicare)
- Unit Number of days within Service Date period
- Unit Rate Interim Daily Rate for Service Group 4
- Co-Pay Select applied income and system will auto populate
- Revenue Code 0659 (Hospice Services Room & Board), or 0658 (Hospice Services Other)

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If you have additional questions about the contents of this letter, contact Provider Claims Services at 512/438-2200, Option 1.

Sincerely,

[signature on file]

Gordon Taylor
DADS Chief Financial Officer

GT:nmp