

# Medicare Contracting Requirements: Special Considerations

Under the Federal Medicare Hospice Conditions of Participation, a hospice may choose to contract for certain non-core services. Under the Medicare Hospice Conditions of Participation, the hospice must enter into a legally binding written agreement for arranged services. The agreement must contain the following terms and conditions:

1. Identification of the services to be provided.
2. A stipulation that services may be provided only with the express authorization of the hospice.
3. The manner in which the contracted services are coordinated, supervised, and evaluated by the hospice.
4. The delineation of the role(s) of the hospice and contractor in the admission process, patient/family assessment, and the interdisciplinary group care conferences.
5. Requirements for documenting that services are furnished in accordance with the agreement.
6. The qualifications of the personnel providing the services.<sup>1</sup>

Hospices are well-versed in these requirements as they apply to hospitals, nursing homes, pharmacies and DME providers. *However, hospices often are not aware that a similar agreement is required if a hospice is providing services to patients in other licensed facilities, such as community-based residential facilities or RCACs.* A hospice also should be aware of the circumstances under which Medicare Part B will reimburse for physician services to hospice patients and when a contract with a physician is required.

Other than for attending physician services (or another physician providing coverage for the designated attending physician),<sup>2</sup> physician services for a patient's terminal illness are not covered by Medicare Part B.<sup>3</sup> Therefore, to obtain Medicare reimbursement, other physicians must contract with the hospice to provide services related to the hospice patient's terminal condition. The contract between the physician and hospice will include compensation for the physician services rendered to the hospice patient, and the hospice will, in turn, receive reimbursement from the Medicare program.

Contracts with all providers of care to hospice patients should be reviewed to

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ensure conformity with Medicare Hospice Conditions of Participation. In the case of non-attending physicians providing care related to the terminal illness pursuant to the Plan of Care, and licensed entities housing hospice patients, it is particularly important to be mindful of the contractual requirements to qualify for Medicare reimbursement. As with any contract, it is important that the hospice confer with its own legal counsel regarding the elements of the agreement.

<b>Provider</b>	<b>Hospice Contract Required For "Arranged Services"</b>
Hospital	Yes
Nursing Home	Yes
DME	Yes
Pharmacy	Yes
CBRF/RCAC	Yes
Non-attending MD providing terminal care	Yes

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<sup>1</sup> 42 CFR § 418.56 (b)(1-6) (2001).

<sup>2</sup> See Medicare Carriers Manual § 4175.

<sup>3</sup> Hospice medical directors designated as a patient's attending physician also may not bill Medicare Part B.

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