Eli's Hospice Insider

Medicare Advantage: VBID Billing Headaches Continue To Plague Hospices

Potential headache: Hospices must wait on MA submissions for payment when patients disenroll.

You can't count on that payment for a patient enrolled in a Medicare Advantage VBID plan to stay yours forever, according to new Medicare Administrative Contractor guidance. A newly posted question-and-answer from a recent Palmetto GBA Hospice Coalition meeting shows why.

Background: "We have a handful of patients who have active Value-Based Insurance Design (VBID) coverage, but Palmetto GBA paid the claim. The patient admitted to hospice in 2022 and the Medicare Advantage (MA) Contract and Plan number is listed on the 2022 VBID payer listing. We tried to submit an 817 with code D9 and comments directing Palmetto GBA to recoup their payment due to the patient having active VBID coverage but the claim was just repaid," one hospice told the coalition.

Question 1: What actions should providers take to resolve? Is this a problem on Palmetto GBA's end, or the VBID payer not reporting VBID coverage to Palmetto GBA correctly?

Answer 1: Palmetto GBA processes claims by the VBID MAO (MA Organization) enrollment information loaded on the [Common Working File]. If the MAO information is not correct in CWF, the MAC would pay the claim. If the MAO is loaded correctly, the claim would reject with Reason Code U523A (Narrative: The dates of service are during both a hospice election period and a MA plan's period that is in a VBID Model).

Hospices seeing this issue should reach out to the VBID Model Team with any questions, comments, or concerns about the Hospice Benefit Component at VBID@cms.hhs.gov. Palmetto GBA has sent this question to this email address and is awaiting a response.

Question 2: Should these overpayments be listed on our Quarterly Credit Balance reports?

Answer 2: No. When the CWF record is corrected, the claims should be adjusted and rejected, taking back the payment. System issue should never be reported on CBRs.

Post-MA Billing Will Depend On Plan Submitting Patient's Termination

Palmetto addresses a related wrinkle as well. Claims rejected with Reason Code U523A "will open benefit periods in Medicare's eligibility systems," the MAC tells hospices. "Therefore, if a patient leaves the MAO plan, returns to Original Medicare and continues the hospice election, they will continue from the current period on Medicare's eligibility systems," Palmetto explains.

"The hospice would continue to bill the MAC and the MAC would issue payment, assuming the patient's MAO plan has a termination date on Medicare's eligibility systems for the dates of service billed," Palmetto adds. "The MAC would not pay if Medicare's eligibility systems were not updated to show the termination. The patient or hospice would have to contact the MAO to submit the termination."

Note: The 12-question Q&A set is at www.palmettogba.com/ palmetto/jmhhh.nsf/DID/PVKRE0Y8K5.