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Medicare Minute – Hospice and GW Modifier

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Hello and welcome to another edition of Medicare Minute. I'm Dr. Robert Hoover, medical director at CGS Administrators, the Jurisdictions B and C DME MAC.

I'm very happy to once again host our unique educational series, "Medicare Minute". Today I'm going to focus on the hospice benefit and its intersection with various other benefits under the jurisdiction of the DME MACs.

In 1982, the Medicare Hospice Benefit was created by Congress and made a permanent benefit in 1985. The Hospice benefit is intended to be comprehensive and provide all of the care for a beneficiary approaching the end of life. Medications, skilled care, and medical equipment are just some of the services rendered under the hospice benefit by hospice providers.

The Medicare hospice benefit is administered under Medicare Part A and includes items and services provided to palliate or manage a beneficiary's terminal illness and related conditions. Medicare pays the hospice for the DMEPOS items provided to the beneficiaries if the items are necessary part of treatment of their terminal illness or related condition. If it meets this requirement, payment is bundled into the hospice's per diem payment.

How to determine if the beneficiary is in a hospice covered stay? Suppliers can use the myCGS secure web portal to access eligibility information or by using the Interactive Voice Response Unit or IVR. These tools are available 24 hours a day, 7 days a week.

But what about billing for those rare instances where an item or service is NOT related to the beneficiary's terminal illness and related conditions?

Yes, Suppliers may bill DME MACs separately for an item or service that is NOT related to the hospice patient's terminal condition. These items or services are indicated on the claim by appending the GW modifier to the claim line. Use of the GW modifier means that the item or service is NOT related to the hospice patient's terminal condition.

But...In November of 2021, the OIG conducted an audit of DME claims which had the GW modifier appended to claim lines. The report noted that 63% of sampled claims with the GW modifier were inappropriate. In other words, the items or services where the GW was used, in fact, were related to the beneficiary's terminal illness or related condition and thus should have been paid under the hospice per diem.

In reviewing claims, the OIG quoted CMS' general intent of the hospice benefit that payment outside of the hospice per diem, in other words using the GW modifier, should be "exceptional and unusual" and that hospices are required to "provide virtually all the care that is needed by terminally ill patients." This intent of the hospice benefit has been repeated often in numerous CMS publications and regulations.



So why should you know about the proper use of the GW modifier?

CGS Medical Review will be starting pre-pay claim review in the near future to look at claims from suppliers where the GW modifier is used.

What are some tips for suppliers who may have claims selected for GW modifier review?

First, you need to maintain close communication with the hospice provider to ensure that the use of the GW is appropriate.

Second, before using the GW modifier, ask the hospice provider to send you their Hospice Election Statement Addendum. You should have this in your files before billing something with the GW modifier.

The Hospice Election Statement Addendum document, created by CMS in 2020, is designed to provide essential information for patients, their families and the caregivers to make informed care decisions and to anticipate any financial liability associated with needed items, services, and drugs NOT provided under the Medicare hospice benefit.

What kind of information is included in the Hospice Election Statement Addendum?

A complete list of the requirements for this document may be found in the CMS Benefit Policy Manual, Ch. 9, Section 20.2.1.2 and you'll find a link to this chapter on the page where you viewed this video and I encourage you to review the entire section but I'll highlight a couple of the important points that the hospice is required to list in this addendum:

1. The individual's conditions present on hospice admission (or upon plan of care update) and the associated items, services, and drugs not covered by the hospice because they have been determined by the hospice to be unrelated to the terminal illness and related conditions.
2. A written clinical explanation, in language the individual (or their representative) can understand, as to why the identified conditions, items, services, and drugs are considered unrelated to the individual's terminal illness and related conditions and not needed for pain or symptom management. And,
3. References to any clinical guidelines, practices or policies.

The bottom line: The Hospice Election Statement Addendum is an educational document for the hospice beneficiary, their families or caregivers and any other stakeholders....like DME suppliers and even Medicare Administrative Contractors.

So if you use the GW modifier, you should request the Hospice Election Statement Addendum from the hospice provider and have it in your files before using the GW modifier on a claim. CGS will be requesting the Hospice Election Statement Addendum from DME suppliers that use the GW modifier and have claims selected for prepayment review, in addition to the medical records to support that the item provided was reasonable and necessary.

On the CGS web page where this video is posted, you'll find additional resource links where you can read more about the Medicare hospice benefit, the Hospice Election Statement Addendum and more.

That does it for this edition of Medicare Minute. I'm Dr. Robert Hoover. Thanks for watching and have a great day!