

(Letter sent on Hersh Medical Clinic stationery)

May 25, 2002

Kay Gaudet
Director of Program Operations
Department of Health and Hospitals (DHH)
1201 Capitol Access Road
P.O. Box 91030
Baton Rouge, LA 70821-9030

Re: Denial of Medicaid payment for
Home Health Supervision for dually
eligible Medicare-Medicaid patients

Dear Ms. Gaudet:

Last week on the telephone we discussed Louisiana DHH's denial of Medicaid payment for Home Health Supervision, code G0181, for dually eligible Medicare-Medicaid patients who are receiving Home Health services. As we discussed on the telephone, there are three Medicare codes for Home Health services. Code G0180 is used when a physician signs the Initial Certification to begin Home Health services. Code G0179 is used bimonthly when a physician Recertifies a patient for Home Health services. Code G0181 is used when a physician spends more than 30 minutes in a one-month period coordinating a patient's Home Health care.

Medicaid is currently allowing payments for Codes G0180 and G0179, the Initial and subsequent Home Health Certifications. However, Medicaid currently does *not* pay for Code G0181, which compensates the physician for the actual time he or she spends supervising and coordinating the actual Home Health services. This includes time spent supervising wound and decubitus care, reviewing lab studies, communicating with other physicians, communicating with the Home Health Agency and its nursing staff, arranging for Durable Medical Equipment, adjusting medications, and other physician tasks which are necessary to the care of a homebound, frail patient.

The irony of this situation is that Code G0181, Home Health Supervision, is the service that is most time-intensive for the physician. Medicare specifically states that a physician must spend at least 30 minutes per month in order to bill this code. The two Certification codes, G0179 and G0180, do not have a specific time allotment and are not as time-intensive as the Supervision code, G0181.

Medicare currently has an “Allowable Charge” of \$119.57 for Home Health Supervision, Code G0181. If a dually eligible Medicare-Medicaid patient’s Medicare deductible has not been met, Medicare will first subtract the \$100 deductible from the \$119.57 payment, which leaves \$19.57 remaining. Medicare will then pay 80% of this amount, which will result in a payment of \$15.66 to the physician. If Medicaid does not allow payment for this service, a physician caring for this frail Home Health patient will lose \$103.91, or 87%, of the Medicare payment. This 87% payment loss will have a chilling effect on the ability of our frail elderly to obtain proper, timely access to appropriate medical care through Home Health. Without Home Health services, these vulnerable patients are liable to require nursing home services, at great cost to the State of Louisiana, to the patient, and to their family. This would certainly be contrary to the intent of the 1999 Supreme Court’s *Olmstead* decision.

Medicare recently revamped its Home Health coding. The code for Home Health Supervision used to be 99375, which *was payable* by Louisiana Medicaid. In year 2001 Medicare changed this code to the current G0181 and Louisiana Medicaid made it *non-payable*. It was also at that time that Medicare added the two Certification codes, G0179 and G0180, which are payable by Medicaid. It makes little sense for Medicaid to pay for the Certifications codes but deny the Supervision code. The Supervision code is the most important component of Home Health services and should be a payable service.

Please share this information with Ms. Candice Whittington, who is in your department and who will be responsible for discussing this issue with the Medicaid Payment Review Committee. All physicians caring for our frail, elderly, dually eligible patients are concerned with the already decreased medical access brought about by the elimination of crossover payments for dually eligible patients. Decreasing payment for Home Health Supervision will only worsen their plight.

Please contact me if you need further information.

Sincerely yours,

Sheldon Hersh MD

CC: Orleans Parish Medical Society
Louisiana State Medical Society