

*National Government Services
2023 Fall Virtual Conference*

Understanding Medicare Compliance for Part B Providers

Medicare Compliance with Skilled Nursing Facility Consolidated Billing

11/7/2023

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Objective

To learn about Skilled Nursing Facility (SNF) Consolidated Billing (CB) and how it applies to the Part B providers.

Today's Presenters

Provider Outreach and Education Consultants

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Agenda

- Understanding SNF CB Benefits
- Patient Care Collaboration and SNF Responsibilities
- Patient Care Collaboration and Provider Responsibility
- Excluded from SNF CB
- CB Files and General Explanation of Major Categories
- Common Problems and/or Claim Denials

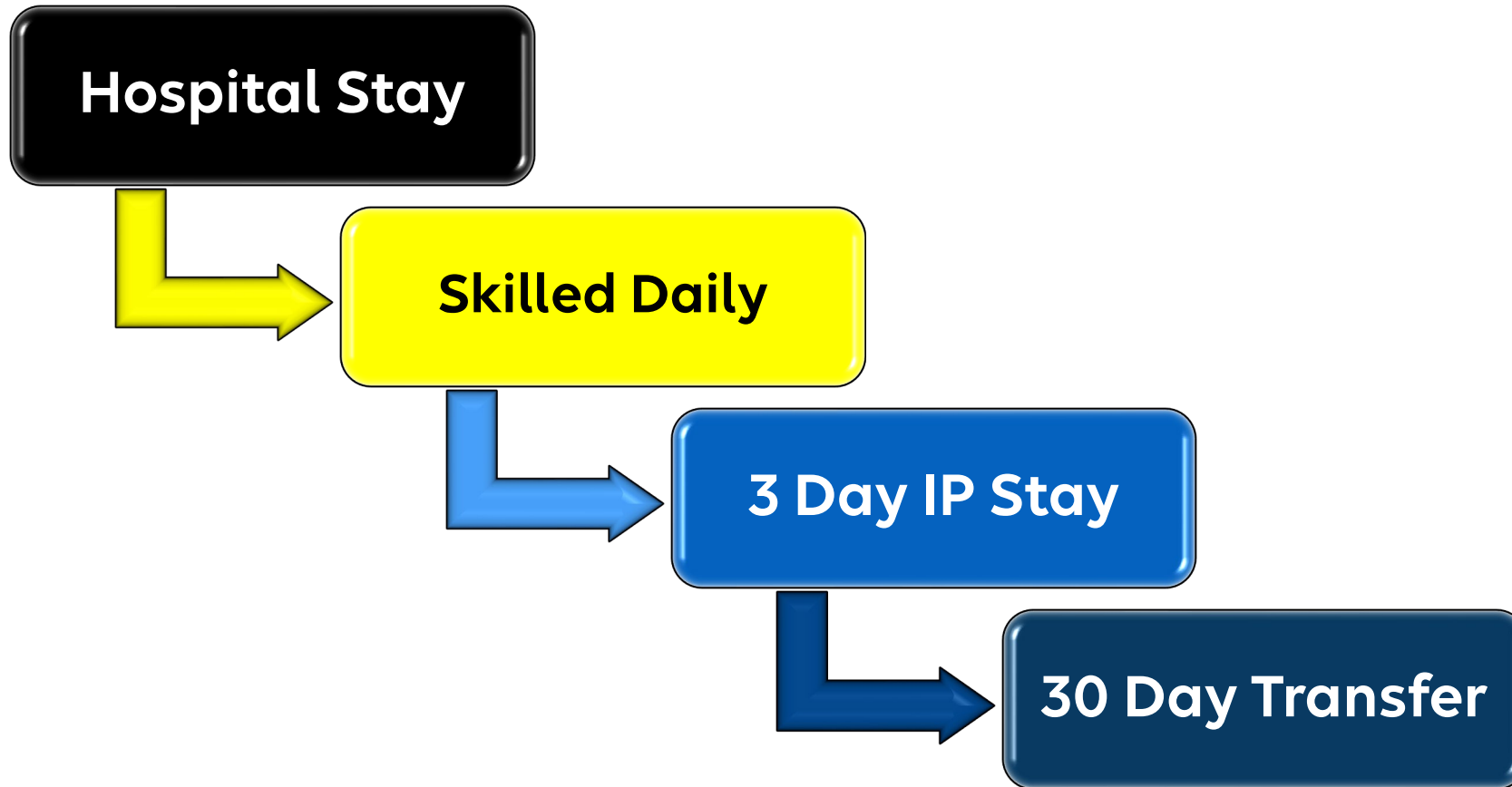
Understanding SNF CB Benefits

Why CB?

- SNF PPS bundles all of services that PPS payment is intended to capture
- Spares beneficiaries from incurring out-of-pocket financial liability
- Eliminates potential for duplicate billings for same service to Part A and B
- Enhances SNF's capacity to oversee and coordinate each resident's overall care



Criteria for SNF Coverage

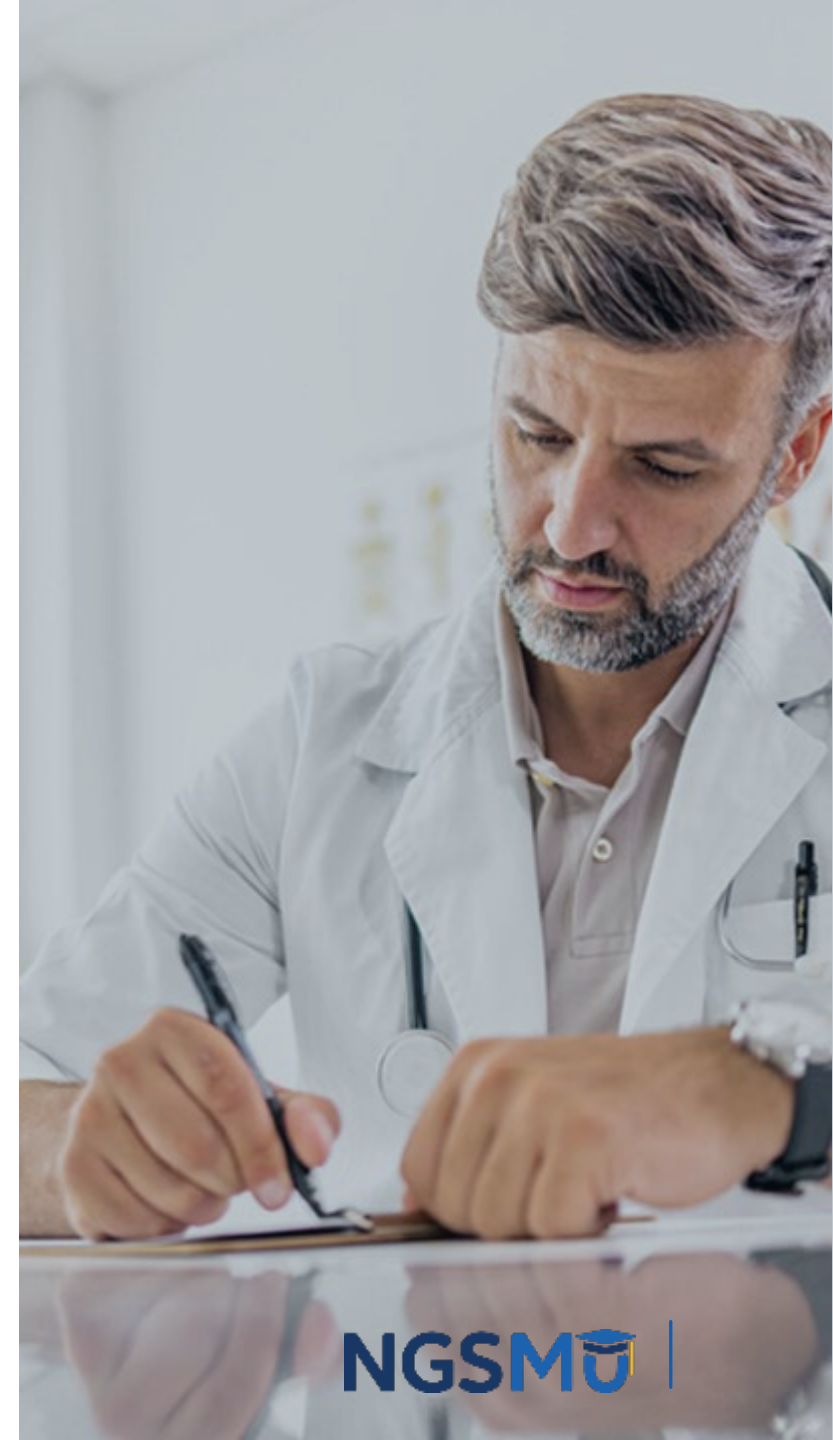


SNF CB Prospective Payment System

**Comprehensive
Per Diem
Payment**

**SNF Must Make
Arrangements**

**May not bill Part B
For Certain Services**

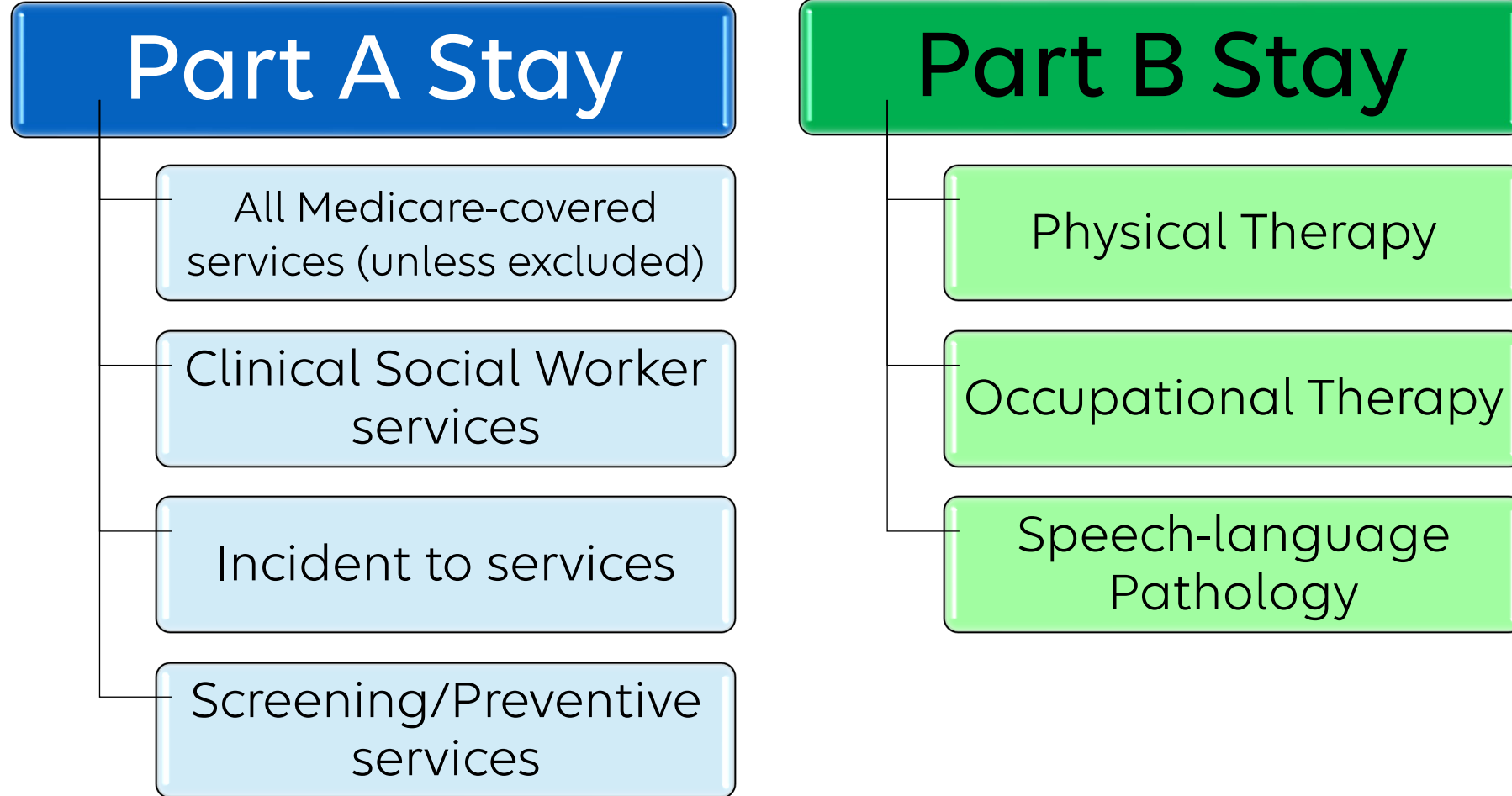


SNF Prospective Payment System



- All Part A services considered within scope or capability of SNF's are considered paid in PPS rate
- SNF must “make arrangements” for services not provide directly but are responsible for within PPS
- SNF, another provider or practitioner may not bill for services under Part B, except for services specifically excluded from PPS payment and associated consolidated billing requirements

Always SNF's Responsibility



SNF CB: Potential Providers Impacted

- SNFs are not only provider type affected by CB, SNF CB affects various health care providers that furnish services to SNF residents
 - Physicians or suppliers
 - Hospital swing beds
 - Critical Access Hospitals
 - Imaging and Radiology Centers
 - Ambulance suppliers



Patient Care Collaboration and SNF Responsibility

SNF Responsibilities

- Inform the beneficiary
 - Ensure standards are met
 - Educate clinical staff
 - Make arrangements
 - Notify of status
 - Reimburse outside entity
 - Bill for services
- Notify outside providers/suppliers, beneficiaries and their representatives that resident is currently being treated in Part A SNF stay
 - Some services must be bundled back to SNF
 - Responsible for arrangements of services
 - Responsible for CB services whether arrangement is in place or not
 - Arranged services must meet applicable standards for that service

CB Provisions

- SNF must either
 - Furnish service directly with its own resources
 - OR
 - Obtain service from an outside entity under an “arrangement”
- SNF must reimburse outside entity for Medicare-covered services subject to CB whether agreement was in place prior/after services
- All PT, OT, and SLP services must be
 - Provided directly/indirectly and always billed by SNF
- Preventive services are paid through intermediary

Patient Care Collaboration and Provider Responsibility



Provider Action

Easiest way to eliminate any claim or billing related problem is to communicate with patients and SNFs

Best way to identify if beneficiary is in Part A SNF stay is to ask beneficiary and/or family member or SNF

Many times, beneficiaries are unaware they should tell other providers they are in SNF stay

Responsibilities of Provider

- Determine status
- Verify responsibility
- Contact SNF
- Inform beneficiaries
- Seek payment from SNF
- Educate staff



Provider Responsibilities

- Verify with beneficiary, as well as SNF, as to status of Part A or Part B prior to services being rendered
- Submit to SNF for payment based on CB rules
- Inform all beneficiaries in a covered Part A SNF stay of CB requirements in reference to services they are receiving
- MLN Matters® [MM3592 Skilled Nursing Facility \(SNF\) Consolidated Billing Service Furnished Under an “Arrangement” with an Outside Entity](#)

Under Arrangement



- Arrange services
- Determine details
- Pay for services

Sample Forms

- [Best Practice Guidelines](#)

Downloads

[Sample Notification 2 \(PDF\)](#)

[Sample Notification 7 \(PDF\)](#)

[Consolidated Billing Claims Processing Instructions \(PDF\)](#)

[Sample Notification 3 \(PDF\)](#)

[Sample Notification 4 \(PDF\)](#)

[Sample Agreement 2 \(PDF\)](#)

[Sample Notification 1 \(PDF\)](#)

[Sample Notification 6 \(PDF\)](#)

[Sample Agreement 1 \(PDF\)](#)

[Sample Notification 5 \(PDF\)](#)

No Arrangement in Place



- Part A SNF resident
- Services sent to receive
- Terms of payment
- Contact SNF to coordinate care

CB Provisions

- Except for specified services, all items and services provided during Part A covered SNF stay are covered under prospective payment system and must be billed by SNF
 - Participating SNFs
 - Short term hospitals, long term hospitals and rehabilitation hospitals certified as swing bed hospitals, except CAH swing beds

Excluded from SNF CB

Generally Excluded from SNF CB

Physician/NPP
services

Professional
component of
diagnostic tests

Hospitals “facility
charge”

Services not
covered by
Medicare

Telehealth
originating site
facility fee

Excluded Services

- Professional services: physicians, and nonphysician practitioners not employed by SNF
- MRIs
- CT scans
- Hospice care
- Emergency services
- 2024 proposed rule MFT and MHC
- Dialysis
 - Home dialysis supplies and equipment
 - Self-care home dialysis support services
 - Institutional dialysis services and supplies
 - EPO and DPA for certain dialysis patients

Excluded: Certain Services



- Certain ambulatory surgeries that involve use of operating room
- Certain angiographies
- Certain cardiac catheterizations
- Certain customized prosthetic devices
- Certain chemotherapy items and their administration
- Certain lymphatic and venous procedures
- Certain radiation therapy services
- Certain radioisotope services

Excluded: Diagnostic Test

- SNF CB excludes physician services which are separately billable to Medicare Part B contractor
- Tests must be billed out with 26/PC component where applicable
- Only 26 is reimbursable by Part B contractor to provider regardless of place of service
- TC portion is billed by the SNF



Excluded: Ambulance Services



- Initial admission to SNF
- SNF to SNF; beneficiary not in Part A stay
- Final discharge from SNF to home (no return same day)
- Inpatient hospital admission from SNF
- Home to receive services from a home health agency under a plan of care
- Transport to/from dialysis

CB Files and General Explanation of Major Categories

CMS MAC Update Files

■ Part B MAC Update Files

- Files 1 – 3 contain codes for services provided in Part A covered SNF stay
 - ✓ Physician services
 - ✓ Professional components of services submitted with a 26 modifier
 - ✓ Ambulance
- File 4 used for services provided in Part B noncovered stay
 - ✓ Therapy services

■ [SNF Consolidated Billing](#)

SNF Consolidated Billing

SNF Consolidated Billing

Part B Medicare Administrative Contractor (MAC) File Explanation

2023 Part B MAC Update

2022 Part B MAC Update

2021 Part B MAC Update

2020 Part B MAC Update

2019 Part B MAC Update

2018 Part B MAC Update

2017 Part B Mac Update

SNF Consolidated Billing

Overview on Skilled Nursing Facility (SNF) Consolidated Billing (CB):

In the Balanced Budget Act of 1997, Congress mandated that payment for the majority of services provided to beneficiaries in a Medicare covered SNF stay be included in a bundled prospective payment made through the Part A Medicare Administrative Contractor (MAC) to the SNF. These bundled services had to be billed by the SNF to the Part A MAC in a consolidated bill. No longer would entities that provided these services to beneficiaries in a SNF stay be able to bill separately for those services. Medicare beneficiaries can either be in a Part A covered SNF stay which includes medical services as well as room and board, or they can be in a Part B non-covered SNF stay in which the Part A benefits are exhausted, but certain medical services are still covered though room and board is not.

The consolidated billing requirement confers on the SNF the billing responsibility for the entire package of care that residents receive during a covered Part A SNF stay and physical, occupational, and speech therapy services received during a non-covered stay. Exception: There are a limited number of services specifically excluded from consolidated billing, and therefore, separately payable.

For Medicare beneficiaries in a covered Part A stay, these separately payable services include:

2023 SNF Files

- Complete list of CPT/HCPCS codes that are excluded from SNF CB
 - New codes that have been added
 - Discontinued codes
 - Minor surgery and Part B therapy inclusions are also included
- [File 1 - Part A Stay \(2023 Physician services\) - Updated 04/05/2023 \(ZIP\)](#)
 - [File 2 - Part A Stay \(2023 Professional Components to be submitted with the 26 modifier\) \(ZIP\)](#)
 - [File 3 - Part A Stay \(2023 Ambulance\) \(ZIP\)](#)
 - [File 4 - Part B Stay Only \(2023 Therapy\) \(ZIP\)](#)

Major Category I and II

- Major Category I - Exclusion of services beyond scope of SNF
 - CT scans, cardiac catheterization, MRIs, radiation therapy, angiography, lymphatic, venous and related procedures
 - Surgical procedures
 - Emergency services
 - Ambulance trips
- Major Category II - Additional services excluded when rendered to specific beneficiaries
- Dialysis Services
 - Only excluded if provided to ESRD beneficiary, hospice beneficiary or renal dialysis facility when the SNF is not place of service

Major Category III and IV

- Major Category III - Additional Excluded Services Rendered by Certified Providers
 - Exclusion of services is done on a code-by-code basis
 - Chemotherapy items and their administration
 - Radioisotopes services
 - Custom prosthetic devices
 - **Note:** listed with asterisk (*) in file are included in SNF PPS payment
- Major Category IV - Additional Excluded Preventive and Screening Services
 - Preventive Services
 - Services are covered as Part B benefits and are not included in SNF PPS
 - Services must be billed by the SNF for beneficiaries in a Part A stay and billed to Part A

Major Category V

■ Major Category V - Part B Services Included in SNF Consolidated Billing

- Therapy Services
- All therapy services provided to a beneficiary in SNF be billed by SNF for Part A/B residents
- Therapies billed with revenues codes 42x (physical therapy), 43x (occupational therapy), 44x (speech-language pathology)





Common Problems and/or Claim Denials

Common Problem One



TYPE OF SERVICE	TOTAL BILLED
Medical Visit	
Testing X-ray Lab	138
Surgery	

TOTAL THIS CLAIM

- SNF does not identify services being subject to CB when ordering such services from other providers
- Provider fails to obtain beneficiary's status as SNF resident when beneficiary (or other individual acting on behalf of the beneficiary) obtains such services directly from provider without SNF's knowledge
- Physician performs additional diagnostic tests or lab work during scheduled visit that had not been ordered by SNF
 - Diagnostic tests that fall under Major Category I must be performed in hospital or CAH in order to be excluded from SNF CB
 - SNF is responsible if the tests are performed in physician's office

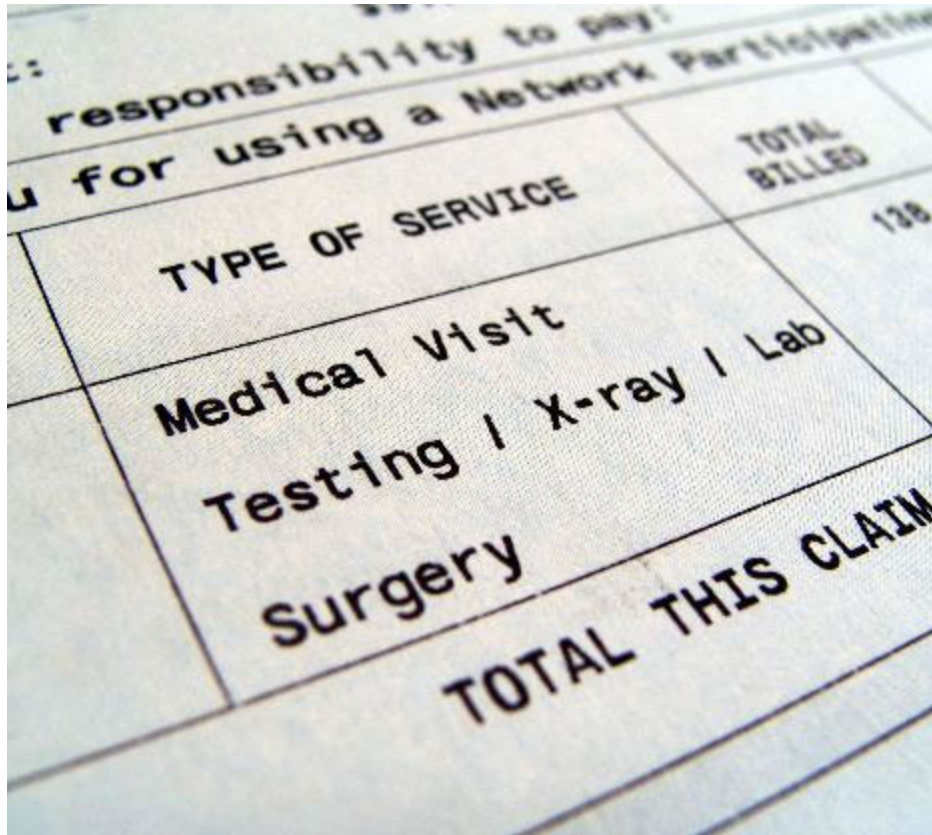
Common Problem Two

- Physician submits the global portion of radiology services to Medicare for payment for SNF Part A beneficiary
 - Only the professional component (26 modifier) should be sent to Medicare
 - Technical portion (TC modifier) should be sent to SNF for payment

TYPE OF SERVICE	TOTAL BILLED
Medical Visit	
Testing X-ray Lab	138
Surgery	

TOTAL THIS CLAIM

Common Problem Three



TYPE OF SERVICE	TOTAL BILLED
Medical Visit	
Testing X-ray Lab	138
Surgery	

TOTAL THIS CLAIM

- Claims are submitted to Medicare for injections when the beneficiary is in covered Part A SNF stay
 - Injections are incident-to service; therefore, they are SNF's responsibility
- Family member arranges PT services from an independent provider without knowledge of SNF staff
 - PT services are always SNF's responsibility
 - SNF is responsible for paying for PT services family arranged

Common Problem Four

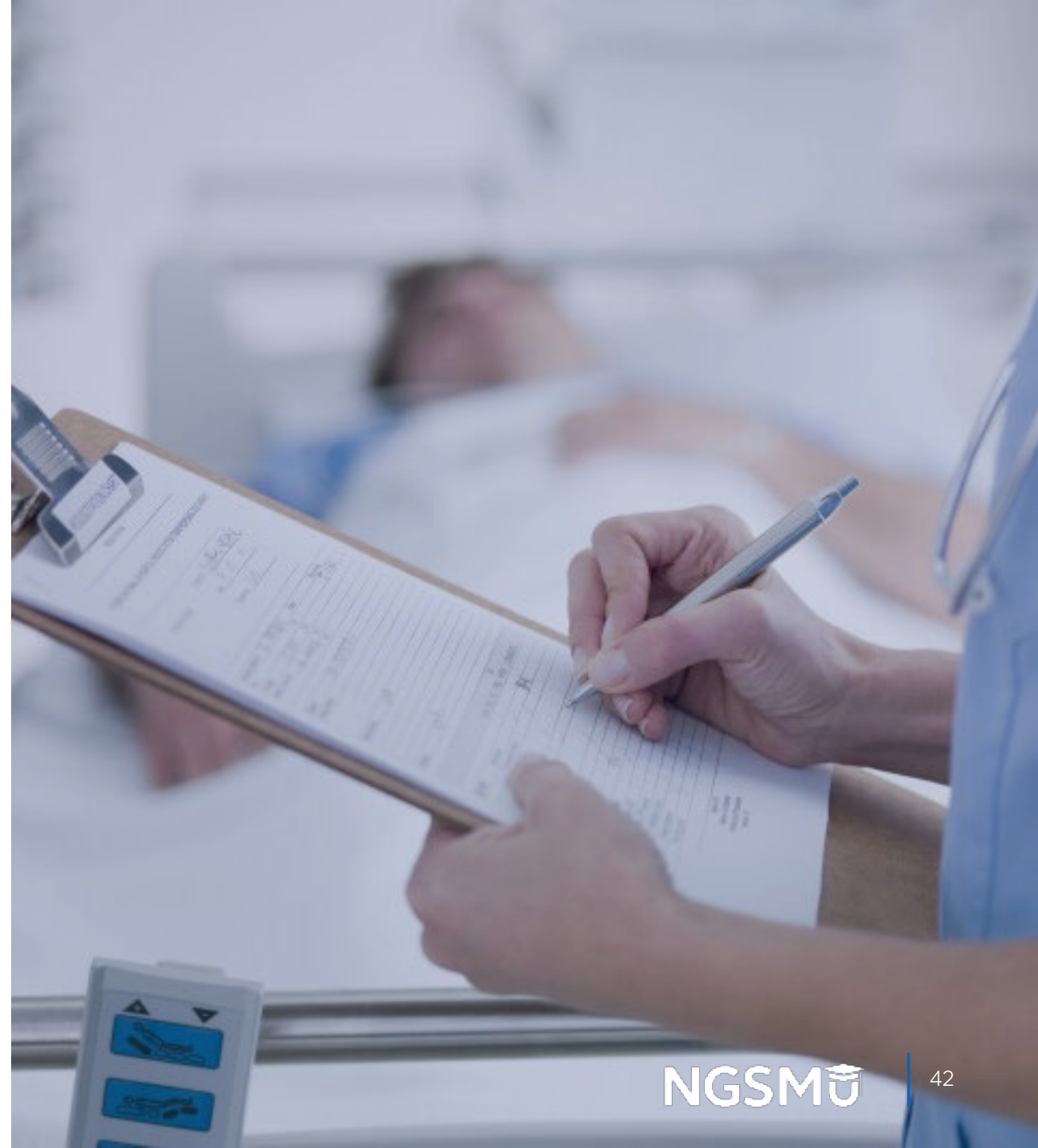
- Part B is billed before Part A
 - If you provide services and bill to Part B you may be paid
 - When Part A is billed for the SNF stay this will cause Part B overpayment
 - CWF will capture this on quarterly report and will notify each MAC
 - MAC will request the refund via overpayment letter
 - Provider will have to go back to SNF to reconcile services provided

TYPE OF SERVICE	TOTAL BILLED
Medical Visit	128
Testing X-ray Lab	
Surgery	

TOTAL THIS CLAIM

Summary

- Part A SNF stay- think of it as if patient still in hospital
- Therapies always billed by SNF
- Only professional components of diagnostic services can be billed to Part B by provider
- Services that can not be furnished by SNF due to lack of staff or equipment SNF must make arrangements, if part of their responsibility
- Services outside scope of a SNF must be performed at hospital for reimbursement
- Lack of an arrangement does not release responsibility
 - Best Practices Guidelines – Sample Agreements available
- Check explanation files on code-by-code basis



References and Resources

Resources

- MLN Matters® [*SE0431: Skilled Nursing Facility Consolidated Billing*](#)
- [CMS Best Practices Guidelines](#)
- [Skilled Nursing Facility PPS | CMS](#)
- [CMS Provider Compliance](#)
- [MLN Events & Training](#)

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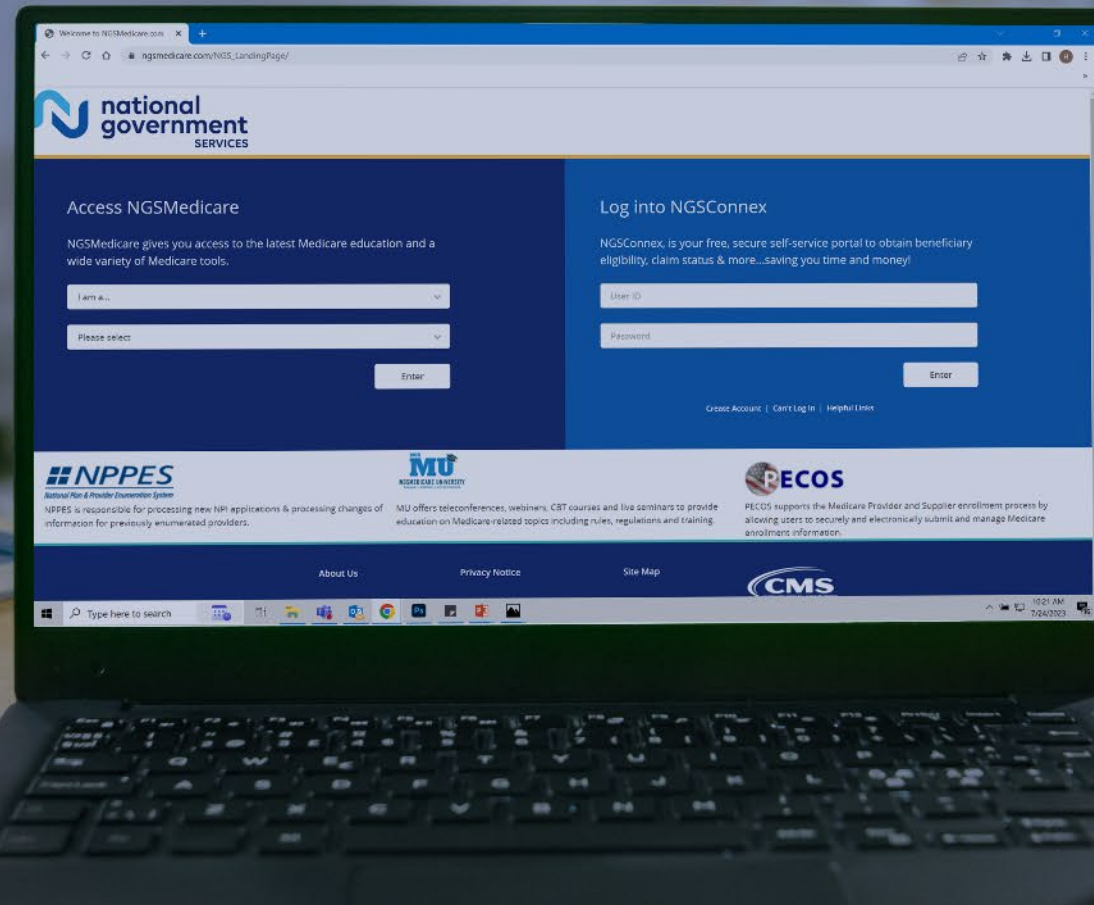
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