

# 2022 NGS Medicare Spring Virtual Conference Medicare for You

## Skilled Nursing Facility Consolidated Billing

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# Today's Presenters

- Kathy Windler
  - Provider Outreach and Education Consultant
- Andrea Freibauer
  - Provider Outreach and Education Consultant

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# Objectives

- This webinar will provide a comprehensive overview of SNF CB for all Part A providers
- We will address the “billing under arrangement” process so SNFs and hospitals can ensure that the correct entity is billed and providers are reimbursed properly for services rendered

# Agenda

- SNF PPS
- SNF CB
  - Facilities and Services Subject to CB
  - Major Categories and CB Exclusions
  - SNF CB Editing
- Services Provided Under Arrangement
  - Sample Agreements
- Resources

# SNF Prospective Payment System

# SNF PPS

- All SNF Part A inpatient services paid under PPS
- Beneficiaries must meet regular eligibility requirements for SNF stay
  - Beneficiary must have been inpatient of hospital for medically necessary stay of at least three consecutive calendar days
  - All Medicare covered Part A services considered within scope or capability of SNFs considered paid in PPS rate



# SNF PPS Billing and Reimbursement

- Patient Driven Payment Model
  - Effective for dates of services on or after 10/1/2019
- SNFs should submit all covered services rendered to patient and considered included in SNF PPS on SNF claim
  - Even if services are rendered by outside provider of service
  - No separate payment made

# SNF PPS Reminder

- Neither SNF or another provider or practitioner may bill Medicare for services under Part B
  - Except for services specifically excluded from PPS payment and associated CB requirements

# SNF Consolidated Billing

# What Is SNF CB?

- Requirement in section 1862(a)(18) of Social Security Act
  - Effective on or after 7/1/1998
- Places responsibility on SNF for all services patients receive during Part A stay
  - Except for services indicated by CMS as EXCLUDED

# SNF CB

- All SNF PPS services considered **included** in SNF CB must be billed directly to Medicare by SNF on Part A inpatient claim
  - SNF must either furnish service directly, or obtain service from outside entity under “arrangement”
  - Services provided by outside entity reimbursed by SNF

# Why SNF CB?

- Avoids duplicate billing
- Decreases beneficiary liability
- Enhances SNF's ability to meet existing responsibility to oversee and coordinate total package of care residents receive

# SNF Coverage – Levels of Care

- Covered Part A stay
  - Beneficiary at skilled level of care and Part A SNF days available
- Noncovered Part A stay
  - Beneficiary at skilled level of care but no Part A days available or did not meet Part A coverage criteria
- Nonskilled Resident
  - Beneficiary at nonskilled level of care and moved to noncertified bed

# Did You Know

- SNF swing bed in CAH exempt from using list of Major Categories for SNF CB
- Should not separately bill patient for OP services when provided while patient in swing bed
- Services provided during covered Part A CAH swing bed stay must be billed on swing bed claim (TOB 18X)



# Services Not Subject to SNF CB

- Services designated by CMS as **excluded** separately billable under Part B when furnished to Part A SNF resident
  - Some services excluded by statute
  - Others excluded administratively in regulations

# Major Categories of Exclusion

- CMS identifies five major categories of services excluded from SNF CB guidelines
- Detailed explanation of major categories
  - [General Explanation of the Major Categories for Skilled Nursing Facility \(SNF\) Consolidated Billing](#)

# Services Excluded From SNF CB

- Important for both SNFs and outside entities to know which services **excluded** from SNF CB
  - [2022 Part A MAC Update](#)
    - Scroll to bottom of page and select zip file under “Downloads”

# Tips for Interpreting the Excel File

- Use search function – Ctrl F
- HCPCS code listed on file excluded from SNF CB
  - Surgical HCPCS code listed on file = **included** in SNF CB

# Physicians' Services

- PC of most physician services **excluded** from Part A PPS payment and SNF CB
  - Billed to Part B MAC on CMS-1500 claim form
- TC of most physician services **included** in Part A PPS payment and SNF CB
  - Billed by SNF on UB-04 claim form

# Physicians' Services

- PC/TC component billing example
  - PC of radiological procedure billed on CMS-1500 claim form for SNF patient in covered Part A stay
    - TC of same radiological procedure included on SNF bill to Medicare on UB-04 claim form

# Special Situation Therapy Services

- PT, OT and SLP services always subject to SNF CB for residents in skilled stay
  - Charges for these services must be billed to Medicare by SNF
  - Therapy providers seek payment from SNF directly
    - Cannot bill Part B MAC on CMS-1500 claim form
  - Applies even when performed by type of practitioner (e.g., physician) whose professional services would otherwise be excluded from CB

# Facility Charge in Connection With Clinic Services of Physician

- Beneficiary receives clinic services from hospital-based physician
  - Physician submits claim on CMS-1500 (or electronic equivalent)
  - Hospital submits “facility charge” claim for overhead expenses on UB-04 (or electronic equivalent)
    - Hospital bills for “facility charges” under E/M codes in range of 99201–99245 and G0463



# Major Category I Services

- Exclusion of services beyond scope of SNF
  - Excluded from SNF CB for patient in Medicare-covered inpatient Part A SNF stay
  - Services must be provided on outpatient basis at hospital or CAH to be excluded
  - Services directly related and for same POS and same LIDOS - excluded
  - Excluded services provided in swing beds subject to SNF PPS billed on TOB 13X by swing bed hospital

# Major Category I Services

- Outpatient surgery and related procedures
- ER services
- Ambulance trips
- Radiation therapy
- CT scan
- Cardiac catheterization
- MRI
- Angiography, lymphatic, venous and related procedures

# Outpatient Surgery and Related Procedures

- Inclusions, rather than exclusions, on list
  - Due to large number of excluded surgical procedures and which can only be safely performed in hospital operating room setting
- Anesthesia, drugs, supplies and lab services will bypass claim edits when billed with outpatient surgeries excluded from SNF CB

# Major Category I Services

- Anesthesia, drugs incident to radiology and supplies (revenue codes 37X, 25X, 27X and 62X) bypassed when billed with
  - CT scans
  - Cardiac catheterizations
  - MRIs
  - Radiation therapies
  - Angiographies
  - Surgery

# Major Category I Services

- ER services
  - Identified by 45X revenue code
  - Related services same LIDOS also excluded
  - ET modifier appended when ER service spans two days
    - [CMS IOM Publication 100-04, Medicare Claims Processing Manual, Chapter 6 Section 20.1.2.2](#)

# Ambulance Services

- Ambulance services not identified as type of service categorically excluded from SNF CB
  - Ambulance trips must meet medical necessity
  - Ambulance associated with Major Category I
    - [CMS IOM Publication 100-04, Medicare Claims Processing Manual, Chapter 6, Section 20.3.1](#)

# Ambulance Services

- Transfers between two SNFs
  - When beneficiary travels from SNF one and admitted to SNF two by midnight of same DOS
    - Ambulance bundled back to SNF one
    - Beneficiary considered patient of SNF one until admitted to SNF two
  - MLN Matters® [MM10955: Revision of SNF CB Edits for Ambulance Services Rendered to Beneficiaries in a Part A Skilled Nursing Facility Stay](#)

# Ambulance Services

- Round-trip to physician office
  - If reasonable and medically necessary, ambulance round-trip transport responsibility of SNF and included in SNF PPS rate



# Ambulance Services

- Transports to/from diagnostic or therapeutic site other than hospital
  - Services provided at IDTF responsibility of SNF therefore reasonable and necessary ambulance transport responsibility of SNF
    - MLN Matters® [MM3196: Change to the Skilled Nursing Facility Consolidated Billing Edits for Ambulance Transports to and from a Diagnostic or Therapeutic Site other than a Hospital](#)

# Ambulance Services

- Transport to or from RDF
  - Reasonable and necessary ambulance transport for purpose of receiving dialysis excluded from SNF CB
    - SNF not responsible for cost of transport
      - MLN Matters® [SE0433 Revised: Skilled Nursing Facility Consolidated Billing As It Relates to Ambulance Services](#)

# Did You Know

- Medicare does NOT provide any coverage under Part A or Part B for any nonambulance forms of transportation
  - Ambulette
  - Wheelchair van
  - Litter van
- Patient may be financially liable for this noncovered service, SNF may provide appropriate notification to resident

# Major Category II Services

- Additional services excluded when rendered to specific beneficiaries
  - Dialysis, EPO, Aranesp and other dialysis related services for ESRD beneficiary
  - For services furnished on or after 1/1/2017
    - Acute dialysis added to scope of Part B dialysis benefit, thereby effectively adding such services to scope of dialysis exclusion from SNF CB
  - Hospice care for beneficiary's terminal illness

# Major Category II Services

- ESRD services must be provided in RDF
  - Specific coding differentiates dialysis and related services excluded from SNF CB for ESRD beneficiaries in three cases
    - When services provided in RDF
    - Home dialysis when SNF constitutes patient's home
    - EPO or Aranesp used for ESRD patient and given by RDF

# Major Category II Services

- Hospice must be only type of provider billing for hospice services
  - Billed by hospice on TOB 81X or 82X
  - Services unrelated to beneficiary's terminal condition billed by SNF and designated with CC 07

# Major Category III Services

- Additional excluded services rendered by certified providers except SNF
  - Certain chemotherapy
  - Certain chemotherapy administration
  - Certain radioisotopes and their administration
  - Certain customized prosthetic devices

# Did You Know

- Not **all** chemotherapy drugs considered excluded from SNF PPS reimbursement
- Providers must research specific HCPCS codes to ensure drug determined as excluded
- Chemotherapy **not** designated as excluded considered included in SNF CB and responsibility of SNF



# Major Category IV Services

- Coverage of screening and preventive services separate Part B inpatient benefit when rendered to patient in covered Part A stay
  - Subject to SNF CB
  - Billed by SNF for beneficiaries in Part A stay
- SNFs bill on 22X TOB
  - Beneficiary in certified bed

# Major Category IV Services

- SNFs bill on 23X TOB
  - Beneficiary in noncertified bed
- Swing bed providers bill on 12X TOB

# Major Category IV Services

- Screening and preventive services
  - [CMS IOM Publication 100-04, Medicare Claims Processing Manual, Chapter 18](#)
    - Frequency parameters
    - Diagnosis criteria
    - HCPCS codes
    - Deductible – coinsurance
    - Age requirements
- SNF patient must have current Medicare Part B coverage

# Did You Know

- CMS published convenient tool that provides information on each Medicare preventive service
  - MLN® Educational Tool: [Medicare Preventive Services](#)
    - HCPCS/CPT codes
    - ICD-10 codes
    - Coverage requirements/frequency requirements
    - Beneficiary liability

# Major Category V Services

- Part B services included in SNF CB
  - Part B residents in “certified” bed
    - Therapy services subject to SNF Part B CB requirement
    - Billed on 22X TOB by SNF alone
  - Resident in noncertified bed
    - Therapy service NOT subject to SNF CB
    - Billed by SNF on 23X TOB or billed by entity providing therapy

# Therapy Services – Wrap up

- SNF responsible for billing ALL therapy that SNF patient receives while in **certified bed** within SNF even when SNF patient in noncovered stay
  - Bill for therapy services for patients in certified bed in noncovered stay on 22x TOB

# Services Provided Under Arrangement

# Did You Know?

- Important for SNF to have arrangements with outside entities to provide services subject to CB and not rendered by SNF
  - Ensures that all parties billing according to Medicare regulations



# Services Furnished Under Arrangements

- Any service subject to SNF CB must be provided directly by SNF or by “outside entity” under arrangement
  - [CMS IOM Publication 100-04, Medicare Claims Processing Manual, Chapter 6, Section 10.4 –10.4.2](#)

# Services Furnished Under Arrangements

- SNF must reimburse outside entity
  - Whenever possible, “arrangement” must constitute written agreement to reimburse outside entity for services provided Part A beneficiary
  - Exact reimbursement amount for service determined by mutual agreement of both parties
    - Medicare does not dictate reimbursement amount
    - CMS Physician Fee Schedule may be starting point for reimbursement negotiation

# Services Furnished Under Arrangements

- SNFs should document arrangements in writing
  - Especially if services ongoing
  - Ensures arranged services meet quality standards
- SNFs must ensure arranged services meet professional standards and principles
  - Applies to professionals providing such services

# Services Furnished Under Arrangements

- In absence of written agreement, supplier may encounter difficulty obtaining payment from SNF
  - Does not invalidate SNF's responsibility to reimburse suppliers for services included in SNF CB

# Did You Know?

- SNF obligation to reimburse suppliers for services included in SNF CB applies even in cases where SNF did not specifically order service
- SNFs refusing to reimburse outside suppliers for CB services risk being found in violation of terms of their Medicare provider agreement

# Services Furnished Under Arrangements

- Problematic situations
  - SNF does not accurately identify services subject to SNF CB when ordering such services from outside entity
  - Supplier fails to ascertain patient status as SNF resident when the patient/family member seeks to obtain such services directly from supplier without SNF's knowledge

# Problem Scenario One

- SNF elects to utilize outside provider to furnish service designated as subject to SNF CB, but fails to inform outside provider that resident in covered Part A stay
  - Causes outside provider to mistakenly conclude service they furnished to resident not subject to CB

# Problem Scenario One SNF Action

- SNF should make good faith effort to furnish accurate information
  - Must reimburse provider when error brought to SNF's attention
  - If SNF refuses to pay, SNF not in compliance with CB requirements
  - Having written agreement helps ensure compliance with CB and resolves dispute



# Problem Scenario Two

- Resident temporarily departs from SNF on brief LOA, typically accompanied by relative or friend
- While offsite, resident (or relative/friend acting on resident's behalf) obtains services subject to CB requirement but fails to notify SNF
- SNF refuses to pay for offsite services and provider bills beneficiary/family member directly

# Problem Scenario Two SNF Action

- SNF remains responsible for any services included in SNF CB, even without valid arrangement
  - SNFs can prevent problems by ensuring each resident/representative aware of CB
  - Staff should communicate CB requirements upon admission
  - Talk to resident prior to temporary leave to ensure resident/representative checks with SNF before obtaining services offsite

# Problem Scenario Two Provider Action

- Outpatient providers should determine on admission if new patient in covered SNF stay
- Provider should contact SNF prior to rendering services

# “Coming Together” to Make Arrangements

- Both parties need to reach common understanding on terms of payment
  - How to submit invoice
  - How payment rates are determined
  - Turn-around time between billing and payment
- Without this understanding, may be difficult to maintain strong relationships necessary between SNFs and their suppliers

# What Is Your Process

- SNF patient sent to outside provider of service
  - Do you identify SNF patient to provider?
    - Do you make transportation arrangements?
    - Do you make prior arrangements with provider for services being rendered?
- Submit all services on inpatient claim

# Steps in the Right Direction

- Both SNFs and suppliers should understand services subject to SNF CB
  - Outpatient facilities must avoid situations where they might improperly attempt to bill Part B directly for services
  - SNFs should be prepared to honor payment under arrangement guidelines and enter into agreements with outpatient suppliers
  - Whenever possible, SNF should document arrangements with suppliers in writing

# CMS Best Practices Guidelines

- Provides sample agreements and communication tools
  - Use of these sample documents not “required”
  - Documents may be modified
  - Sample language and formats
    - [CMS Best Practices Guidelines](#)

# Contents of Sample Agreement

- Date
- SNF name and provider name
- Describe SNF responsibilities
  - Provide written authorization for services
  - Pay provider within xx amount of days
  - Notify provider of any problem with claim
  - When to expect payment



# Contents of Sample Agreement

- Describe provider of service responsibilities
  - Provide SNF with diagnosis code, medical history, physician's order
  - Bill SNF UB-04 with CPT/HCPCS codes
  - Bill SNF within xx months of DOS
  - Bill SNF negotiated charges
  - Accept as payment in full
  - Will not bill beneficiary

# Physician Fee Schedule Lookup

- [CMS Physician Fee Schedule lookup](#) website
  - Search for fee schedule amounts by HCPCS code
  - Medicare does not dictate reimbursement provided for services under arrangements
    - CMS Fee Schedule Overview/Search
    - MLN® Booklet: [How to Use the MPFS Look-Up Tool](#)

# What You Should Do Now

- Ensure all appropriate staff understands the SNF consolidated billing process
  - Share presentation/information with staff unable to attend
  - Update internal procedures and/or processes as appropriate
  - Review available resources for additional information
  - Attend our future training events

# Resources



# Resources

- [Skilled Nursing Facility \(SNF\) Quality Reporting Program \(QRP\) Measures and Technical Information](#)
- MLN® Educational Tool: [\*SNF Billing Reference\*](#)
- SNF [Consolidated Billing](#)
  - General Explanations and SNF CB Excel File

# Resources

- [CMS Skilled Nursing Facility Center](#)
- MLN® Educational Tool: [Medicare Payment Systems, Skilled Nursing Facility Prospective Payment System](#)
- [Skilled Nursing Facilities/Long Term Care Open Door Forum](#)

# Thank You!

- Follow-up email
  - Attendees will be provided a Medicare University Course Code
- Questions?
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