Basics of Skilled Nursing Facility Consolidated Billing (SNF-CB)

Presented by: Provider Outreach and Education
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Disclaimer

This resource is not a legal document. This presentation was prepared as a tool to assist our providers. This presentation was current at the time it was created.

Although every reasonable effort has been made to assure accurate information, responsibility for correct claims submission lies with the provider of services. Reproduction of this material for profit is prohibited.
What is Skilled Care

The inherent complexity of a service prescribed for a patient is such that it can be performed safely and/or effectively only by, or under the general supervision of, skilled nursing or skilled rehabilitation personnel, the service is a skilled service.

Skilled Nursing Facility (SNF) Coverage Qualifications

- Must be eligible for Medicare Part A
- Require daily skilled services
- Hospital Qualifying Stay - at least 3 consecutive days of inpatient hospital care for a related illness or injury
  - Report under Occurrence Span Code 70
- Admitted to SNF within 30 days of hospital discharge
Qualifying Stay Examples

<table>
<thead>
<tr>
<th>Situation</th>
<th>Is the SNF Stay Covered?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiary came to the Emergency Department (ED) and was formally</td>
<td>Yes. Beneficiary met the 3-day inpatient hospital stay requirement for a covered SNF stay.</td>
</tr>
<tr>
<td>admitted to the hospital with a doctor’s order as an inpatient for 3</td>
<td></td>
</tr>
<tr>
<td>day. Beneficiary was discharged on the 4th day.</td>
<td></td>
</tr>
<tr>
<td>Beneficiary came to the ED and spent one day getting observation services.</td>
<td>No. Even though beneficiary spent 3 days in the hospital, he/she was considered an outpatient while getting</td>
</tr>
<tr>
<td>Then, he/she was formally admitted to the hospital as an inpatient for 2</td>
<td>ED and observation services. These days don’t count toward the 3-day inpatient hospital stay requirement.</td>
</tr>
<tr>
<td>more days.</td>
<td></td>
</tr>
</tbody>
</table>

SNF Benefit Coverage

<table>
<thead>
<tr>
<th>Day 1-20</th>
<th>Covered</th>
<th>No deductible, no coinsurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day 21-100</td>
<td>Covered</td>
<td>Daily coinsurance ($157.50)</td>
</tr>
<tr>
<td>Beyond day 100</td>
<td>Not covered</td>
<td>Beneficiary liable</td>
</tr>
</tbody>
</table>
Benefit Period

- Benefit period begins the day the beneficiary is admitted as an inpatient to a hospital or Skilled Nursing Facility (SNF)

- Benefit period ends when no inpatient hospital or SNF care for 60 consecutive days

SNF Consolidating Billing (CB) Background

- CB required under Section 4432 (b) of the Balanced Budget Act

- Prospective Payment System (PPS)

- SNF must submit all Medicare claims for services that its residents receive
  - Excluded services are not subject to CB
Reasons for CB

- Eliminates the potential for duplicative billing
- Enhances the SNF’s capacity to coordinate the care of its residents
- Reduces beneficiary’s out-of-pocket expenses
- Bundles payment into a single facility package

Facilities Subject to CB

- Medicare participating SNFs
- Short term hospitals, long term hospitals, and rehabilitation hospitals certified as swing bed hospitals, except CAHs certified as swing bed hospitals.
Under Arrangement

- A private agreement or contract between the SNF and an outside entity is recommended
- Outside supplier must look to the SNF for payment
- Both parties need to reach a common understanding on terms of payment
  - How to submit an invoice
  - How payment rates will be determined
  - Turn-around time between billing and payment

Under Arrangement

Absence of a valid arrangement does NOT invalidate the SNF’s responsibility to reimburse suppliers for services included in the SNF “bundle” of services represented by the SNF PPS global per diem rate.
Agreements and Notifications

- Sample agreement forms and notifications are available on CMS website
  http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/BestPractices.html

- 2 model forms and 7 agreement notifications

When CB Does Not Apply

- Admission as inpatient to Medicare –participating hospital or Critical Access Hospital

- Home Health Care Agency under a plan of care

- Outpatient services from a Medicare-participating hospital or CAH

- Formally discharged from the SNF
Exclusions and Inclusions

- Included in SNF CB:
  - Services indicated by CMS as included in SNF CB must be billed by the SNF because these services are included in the SNF PPS reimbursement methodology

- Excluded from SNF CB:
  - Services indicated by CMS as excluded from SNF CB may not be billed by the SNF and must be billed by the outside entity under Part B because these services are not included in the SNF PPS reimbursement methodology

SNF Consolidated Billing
Exclusions
Physician/Non-Physician Services

- Physician’s services other than physical, occupational, and speech-language pathology
- Physician assistants
- Nurse practitioners and clinical nurse specialists
- Certified nurse-midwives
- Qualified psychologists
- Certified registered nurse anesthetists

Major Category I

- Computerized axial tomography (CT) scans
- Cardiac catheterization
- Magnetic resonance imaging (MRIs)
- Radiation therapy
- Angiography, lymphatic, venous and related procedures
- Outpatient surgery and related procedures - INCLUSION
- Emergency services
- Ambulance transportation (medically necessary)
Major Category II

- Home dialysis supplies and equipment, self-care home dialysis support services
- Institutional dialysis services and supplies
- Epoetin alfa (EPO) and Darbepoetin alfa (Aranesp)
- Hospice care related to the terminal illness

Major Category III

- Chemotherapy
- Chemotherapy administration services
- Radioisotope and their administration
- Customized prosthetic devices
Major Category IV

These services must be billed by the SNF on TOB 22X

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mammography</td>
<td>Vaccines (pneumococcal, flu or hepatitis B)</td>
</tr>
<tr>
<td>Vaccine administration</td>
<td>Screening pap smear</td>
</tr>
<tr>
<td>Pelvic Exams</td>
<td>Colorectal screening</td>
</tr>
<tr>
<td>Prostate cancer screening</td>
<td>Glaucoma screening</td>
</tr>
<tr>
<td>Diabetic screening</td>
<td>Cardiovascular screening</td>
</tr>
<tr>
<td>Initial Preventive Physical Exam (IPPE)</td>
<td>Abdominal Aortic Aneurysms (AAA) screenings</td>
</tr>
</tbody>
</table>

SNF Consolidated Billing

Inclusions
Major Category V

- Applies to therapies billed with revenues codes
  - 42x (physical therapy)
  - 43x (occupational therapy)
  - 44x (speech-language pathology)

- SNF providers will bill for the “therapy” services for patients in a certified bed in a non-covered stay on the 22x TOB

Inclusions

- All services furnished to a SNF resident in a covered Part A stay
- Psychological services furnished by a clinical social worker
- Services “incident to” the professional services of a physician or other health care professional
Annual Coding File for Part A

SNF Consolidated Billing
Part B Medicare Administrative Contractor (MAC) File Exploration
2015 Part A MAC Update
2014 Part A MAC Update
2013 Part A MAC Update
2012 Part A MAC Update
2011 Part A MAC Update
2010 Part A MAC Update
F1 File Exploration

2015 Part A MAC Update
2014 Part A MAC Update
2013 Part A MAC Update
2012 Part A MAC Update
2011 Part A MAC Update
2010 Part A MAC Update
Transactions


Frequency of Billing

SNF claims are billed to Medicare:

• Upon discharge of the resident
• Benefits exhausted
• Resident ceases to need skilled care
• Billed on a monthly basis
Frequency of Billing

- Claims must be submitted to Cahaba on a monthly basis
- Submit bills in sequence for each beneficiary
- Current claim must be finalized before next claim can be submitted

Common Part A SNF Claim Submission Errors

- Reason code EA031 – claim processing system shows patient has an HMO
  - Add Condition code 04 to the claim if patient has an HMO

- Reason code C7010- claim overlaps a hospice election period
  - If services are unrelated to the terminal illness include Condition code 07 on the claim

- Reason code 38119 – SNF claims should be billed in sequence
  - Submit the prior bill
Top Claim Submission Errors Page

http://www.cahabagba.com/part-a/claims/top-claim-submission-errors-how-resolve-them/

Claims Issues Log - Part A

http://www.cahabagba.com/part-a/claims/claims-issue-log/
SNF-CB CMS Manual References

- Medicare Claims Processing Manual, Publication 100-04, Chapter 6 - SNF Inpatient Part A Billing and SNF Consolidated Billing

- Medicare Claims Processing Manual, Publication 100-04, Chapter 7 – SNF Part B Billing (Including Inpatient Part B and Outpatient Fee Schedule)

2015 MAC Satisfaction Indicator

- An opportunity to measure your satisfaction of your Medicare Administrative Contractor’s (MAC) performance

- Providers encouraged to participate in the MAC Satisfaction Indicator (MSI) survey

- Quick 10-minute survey at
Website Survey

• Choose “Yes, I'll Give Feedback” and let your voice be heard by taking the ForeSee survey

• We value your feedback and need to hear from you about your website experience

Thank You for Attending

• Questions – Please dial into the audio at 1-800-791-2345 conference code 68046 to ask a question.

• Evaluation – All registered participants received a link to complete the electronic evaluation.

• Event Recording – A recording of today's call will be available on Cahaba’s website within 7-10 business days in Cahaba University
  https://www.cahabagba.com/part-a/education/cahaba-u-18358/