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Provider Education Article
Guidelines for Skilled Nursing Facility (SNF) Consolidated Billing

This provider education article discusses the background of the Skilled Nursing Facility (SNF) consolidated billing regulation; services, supplies, and facilities included and excluded from SNF consolidated billing; professional and technical components of diagnostic tests; and ambulance services. In addition, the article includes information resources for SNF consolidated billing.

Background

Skilled Nursing Facility (SNF) consolidated billing, which was effective for cost reporting periods beginning on or after July 1, 1998, states that SNFs must submit Medicare claims to the fiscal intermediary (FI) for all Part A and Part B services that its residents receive during the course of a covered Part A stay, except for a limited number of specifically excluded services. These services must be furnished either directly or under arrangement with outside providers. Section 4432(b) of the Balanced Budget Act of 1997 (BBA, PL 105-33), mandated the exclusion of entire categories of services from SNF consolidated billing. These services are separately billable to the Part B Medicare carrier and include the services of physicians and certain other types of medical practitioners.

Section 103 of the Balanced Budget Refinement Act of 1999 (BBRA, PL 106-113, Appendix F), effective on April 1, 2000, enacted a second more targeted set of exclusions for high cost, low probability services within a number of broader service categories (e.g., chemotherapy services) that otherwise remained subject to consolidated billing.

Effective January 1, 2002, Section 313 of the Benefits Improvement and Protection Act restricted SNF consolidated billing to the majority of services provided to patients in a Medicare Part A covered stay and only to physical, occupational, and speech-language therapy services provided to patients in a noncovered stay.

For claims with dates of service on or after April 1, 2001, for those services and supplies that are not specifically excluded by law and furnished to a SNF resident covered under the Part A benefit, physicians must forward the technical portions of any services to the SNF to be billed by the SNF to the FI. The SNF cannot receive additional payment for these technical services and is to pay the physician for the technical portion of the service. Physical, occupational, and speech-language therapy services provided to patients in a non-covered stay must also be forwarded to the SNF to be billed by the SNF to the FI for payment. It is the responsibility of the rendering physician or non-

physician practitioner to develop a business relationship with the SNF in order to receive payment from the SNF for services they render that are included in consolidated billing.

Services and Supplies Included in SNF Consolidated Billing

The SNF consolidated billing requirement confers on SNFs the billing responsibility for the entire package of services that residents receive including:

- All services and supplies received during the course of a Part A covered stay (including physical, occupational, and speech-language therapy services), with the exception of statutory exclusions; and

- For SNF residents in noncovered stays (e.g., Part A benefits exhausted or no prior qualifying hospital stay), physical, occupational, and speech-language therapy services.

Services and Supplies Excluded from SNF Consolidated Billing

A. The following are excluded from SNF consolidated billing and must be billed separately to the Medicare carrier:

- The professional component of physician services (see Section 1861(r) of the Social Security Act for the definition of a physician for Medicare purposes) except physical, occupational, and speech-language therapy services;

- Physician assistant services, when a physician assistant is working under a physician's supervision;

- Nurse practitioner services, when a nurse practitioner is working in collaboration with a physician;

- Clinical nurse specialists, when a clinical nurse specialist is working in collaboration with a physician;

- Certified mid-wife services;

- Qualified psychologist services; and

- Certified registered nurse anesthetist services.

NOTE: Physical, occupational, and speech-language therapy services included in SNF consolidated billing are subject to SNF consolidated billing regardless of who provides

them, even if the services that type of practitioner normally provides are excluded from SNF consolidated billing.

B. The following are excluded from SNF consolidated billing and the institutional or technical component must be billed separately to the Medicare FI:

- The following services furnished on an outpatient basis by a hospital or critical access hospital (CAH):

  - Cardiac catheterization services;
  - Computerized axial tomography scans;
  - Magnetic resonance imaging;
  - Ambulatory surgery involving the use of an operating room;
  - Radiation therapy;
  - Emergency services;
  - Angiography;
  - Lymphatic and venous procedures; and
  - Ambulance services furnished in connection with any of the above outpatient hospital services.

- Maintenance dialysis received in a Renal Dialysis Facility by an End Stage Renal Disease patient;

- Certain dialysis-related services including covered ambulance transportation to obtain dialysis services;

- Erythropoietin for certain dialysis patients when given along with dialysis; and

- Hospice care related to a patient's terminal condition;

C. The following are excluded from SNF consolidated billing and must be billed separately to the Medicare carrier or FI, as appropriate:

- Ambulance trips that transport a patient to the SNF for initial admission or from the SNF following a final discharge (see below for additional ambulance services information);

- Services to risk based HMO enrollees; and

- The following services for residents in a Part A covered stay (only certain services in these categories are excluded):

  - Certain chemotherapy drugs;
  - Certain chemotherapy administrative services;

- Certain radioisotope services; and
- Certain customized prosthetic devices.

Facilities Included in SNF Consolidated Billing

- Medicare participating SNFs, including Medicare-certified distinct part SNFs and swing beds in all hospitals except CAHs.

Facilities Excluded from SNF Consolidated Billing

- Nursing homes that have no Medicare certification (e.g., do not participate at all in either the Medicare or Medicaid program);

- Nursing homes that exclusively participate only in the Medicaid program as a nursing facility;

- The non-participating portion of a nursing home that also contains a Medicare-certified distinct part SNF; and

- Swing beds in CAHs.

Professional and Technical Components of Diagnostic Tests

The professional component, or the physician's interpretation of a diagnostic test, is considered a physician service and is separately billable to the Medicare carrier. The technical component, or the diagnostic test itself, is considered a diagnostic test and is subject to consolidated billing. As an example, for diagnostic radiology services, the exclusion of physician services from consolidated billing applies only to the professional component of the diagnostic radiology service. The technical component of the diagnostic radiology service is considered a diagnostic test that must be billed to the Medicare FI by the SNF and is included in the SNF consolidated billing payment for covered Part A stays. Because the technical component is already included within Part A's comprehensive per diem payment to the SNF for the covered stay, an outside entity that actually furnishes the technical component would look to the SNF, rather than Part B, for payment.

Ambulance Services

Except for specific exclusions, SNF consolidated billing includes those medically necessary ambulance trips that are furnished during the course of a Part A stay. In most cases, ambulance trips are excluded from SNF consolidated billing when the covered Part A stay has ended, at which time the ambulance company must bill the Medicare carrier or FI directly for payment. The specific circumstances under which a

patient may receive ambulance services that are covered by Medicare but excluded from SNF consolidated billing are:

- A medically necessary ambulance trip to a Medicare participating hospital or CAH for the specific purpose of receiving emergency or other excluded outpatient hospital services;

- A medically necessary ambulance trip after a formal discharge or other departure from the SNF, **unless** the patient is readmitted or returns to that or another SNF before midnight of the same day;

- An ambulance trip to receive dialysis or dialysis-related services;

- An ambulance trip for an inpatient admission to a Medicare participating hospital or CAH; and

- After discharge from a SNF, a medically necessary ambulance trip to the patient's home where he/she will receive services from a Medicare participating home health agency under a plan of care.

NOTE: A patient's transfer from one SNF to another before midnight of the same day is not excluded from SNF consolidated billing. The first SNF is responsible for the ambulance services.

SNF Consolidated Billing Information Resources

- Consolidated Billing Web Site
  www.cms.hhs.gov/medlearn/snfcode.asp

  - General SNF consolidated billing information.

  - HCPCS codes that can be separately paid by the Medicare carrier (i.e., services not included in consolidated billing).

  - Therapy codes that must be consolidated in a non-covered stay.

  - All code lists are subject to quarterly and annual updates and should be reviewed periodically for the latest revisions.

- Program Memorandums
  www.cms.hhs.gov/manuals/transmittals/comm_date_dsc.asp

  - Transmittal AB-03-094 dated July 3, 2003

- Transmittal AB-02-175 dated December 13, 2002
- Transmittal A-02-118 dated November 8, 2002
    1) Updated codes for exclusions
    2) SNF Help File
        a) HCPCS codes included in the SNF Part A payment.
        b) Codes that may be paid and on what basis to a SNF by the FI under Part B.
- Transmittal AB-02-038 dated March 27, 2002

- The SNF Help File will be available on a new CMS web site in the near future.

- Medicare Carriers Manual Part 3, Section 4210.