
CMS Manual System

Pub. 100-04 Medicare Claims Processing

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal 209

Date: JUNE 18, 2004

CHANGE REQUEST 3333

I. SUMMARY OF CHANGES: CR 2944, Transmittal 90, issued on February 6, 2004, incorrectly indicated that services provided in a non-covered skilled nursing facility stay are reimbursed through the prospective payment system. This CR corrects section 1.B of the business requirements and section 110 of the IOM. In addition, the associated Medlearn Matters article number MM2944 also was incorrect and will need to be reissued. Though this change is necessary to correct the concept, claims will be processed correctly according to the business requirements established in CR 2944 and 3156.

NEW/REVISED MATERIAL - EFFECTIVE DATE: July 1, 2004

***IMPLEMENTATION DATE: July 6, 2004**

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS:

(R = REVISED, N = NEW, D = DELETED)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	6/110/2.6/Edit for Therapy Services Separately Payable When Furnished by a Physician

*III. FUNDING:

These instructions shall be implemented within your current operating budget.

IV. ATTACHMENTS:

X	Business Requirements
X	Manual Instruction
	Confidential Requirements
	One-Time Notification
	Recurring Update Notification

***Medicare contractors only**

Attachment - Business Requirements

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SUBJECT: Correction to CR 2944, Transmittal 90, Issued on February 6, 2004

NOTE: CR 2944, Transmittal 90, issued on February 6, 2004, entitled Implementation of Skilled Nursing Facility Consolidated Billing CWF Edit for Therapy Codes Considered Separately Payable Physician Services, incorrectly indicated that services provided in a non-covered skilled nursing facility stay are reimbursed through the prospective payment system. This CR corrects section 1.B of the business requirements and section 110 of the IOM. In addition, the associated Medlearn Matters article number MM2944 also was incorrect and will need to be reissued. Though this change is necessary to correct the concept, claims will be processed correctly according to the business requirements established in CR 2944 and 3156.

I. GENERAL INFORMATION

A. Background: In CR 2944, Transmittal 90, issued on February 6, 2004, Section I, SUMMARY OF CHANGES of the transmittal sheet, section 1.B of the Attachment – Business Requirements, and section 110 of the IOM contained language that incorrectly indicated that services provided in a non-covered skilled nursing facility stay are both subject to consolidated billing and reimbursed through the prospective payment system. The language in part B, below, is revised to remove the language indicating that the services are subject to the prospective payment system when provided to beneficiaries in a non-covered SNF stay.

B. Policy: Physical, occupational, and speech therapy services are subject to consolidated billing when provided to beneficiaries in either a Part A covered skilled nursing facility (SNF) stay or during a non-covered stay. A small number of these services are considered surgery when performed by a physician and may be separately paid by the carrier. They are considered therapy when performed by a physical and occupational therapists and continue to be subject to consolidated billing.

C. Provider Education: A provider education article related to this instruction will be available at <http://www.cms.hhs.gov/medlearn/matters> shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article must be included in your next regularly scheduled bulletin.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement #	Requirements
3333-1	Carriers must implement the provider education instructions per section I.C.

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions:

X-Ref Requirement #	Instructions
2944	Implementation of Skilled Nursing Facility Consolidated Billing CWF Edit for Therapy Codes Considered Separately Payable Physician Services
3156	Revision to required Messages in Change Request 2944, Implementation of Skilled Nursing Facility Consolidated Billing CWF Edit for Therapy Codes Considered Separately Payable Physician Services

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

Effective Date: July 1, 2004	These instructions shall be implemented within your current operating budget.
Implementation Date: July 6, 2004	
Post-Implementation Contact(s): Regional Office	

110.2.6 - Edit for Therapy Services Separately Payable When Furnished by a Physician

(Rev.209, 06-14-04)

A number of therapy services are considered separately payable when provided by a physician and shall be paid separately by the Medicare carrier. *However, these services are considered therapy when provided by a physical or occupational therapist and are subject to consolidated billing.*

Effective for claims with dates of service on or after July 1, 2004, edits will be implemented in the claims processing system to correctly process claims for these services. A complete list of these services can be found on the CMS Web site at www.cms.gov/medlearn/snfcode.asp.