CMS Manual System

Pub. 100-04 Medicare Claims Processing

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

Transmittal 224 **Date: JULY 9, 2004**

CHANGE REQUEST 3348

I. SUMMARY OF CHANGES: October Quarterly Update to 2004 Annual Update of HCPCS Codes Used for Skilled Nursing Facility (SNF) Consolidated Billing Enforcement

NEW/REVISED MATERIAL - EFFECTIVE DATE: October 1, 2004
***IMPLEMENTATION DATE: October 4, 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: (*N/A if manual not updated.*)
(R = REVISED, N = NEW, D = DELETED) – (*Only One Per Row.*)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

***III. FUNDING:**

These instructions shall be implemented within your current operating budget.

IV. ATTACHMENTS:

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

***Medicare contractors only**

Recurring Update Notification

Pub. 100-04	Transmittal: 224	Date: July 9, 2004	Change Request: 3348

SUBJECT: October Quarterly Update to 2004 Annual Update of HCPCS Codes Used for Skilled Nursing Facility (SNF) Consolidated Billing Enforcement

I. GENERAL INFORMATION

Background:

The CMS periodically updates the lists of Healthcare Common Procedure Coding System (HCPCS) codes that are subject to the consolidated billing provision of the SNF Prospective Payment System (SNF PPS). Services appearing on this list submitted on claims to both Medicare fiscal intermediaries (FIs) and Carriers, including Durable Medical Equipment Regional Carriers (DMERCs), will not be paid by Medicare to providers, other than a SNF, when **included** in SNF CB. For non-therapy services, SNF CB applies only when the services are furnished to a SNF resident during a covered Part A stay; however, SNF CB applies to physical, occupational or speech-language therapy services whenever they are furnished to a SNF resident, regardless of whether Part A covers the stay. Services **excluded** from SNF PPS and CB may be paid to providers, other than SNFs, for beneficiaries, even when in a SNF stay. In order to assure proper payment in all settings, Medicare systems must edit for services provided to SNF beneficiaries both included and excluded from SNF CB. **This notification provides a list of the exclusions, and some inclusions, to SNF CB.**

For the annual notice on SNF CB each January, separate instructions are published for FI and Carriers/DMERCs. The 2004 Annual Update for FIs can be found on the CMS web site at www.cms.hhs.gov/manuals/, select the link for 2003 transmittals, and select transmittal # R19CP dated October 31, 2003. Information on the 2004 annual update for Carriers can be found at www.cms.hhs.gov/medlearn/snfcode.asp. **Quarterly updates now apply to both FIs and Carriers/DMERCs.** There has been one joint FI/Carrier/DMERCs quarterly update published subsequent to the 2004 Annual Update; it is available under the link for 2004 transmittals, then select transmittal # R92CP dated April 5, 2004. These updates affect claims with dates of service on or after the effective date of this instruction printed below.

The codes below are listed as being added or removed from the annual update, mentioned above. Deletions from Major Category I F. below, specifically HCPCS code 36489, is being removed because the HCPCS was discontinued as of 12/31/2003. Additions to what is noted as Major Category III below means these services may be provided by any Medicare provider licensed to provide them, **except a SNF,** and are excluded from SNF PPS and consolidated billing. Additions to therapy inclusions, Major Category V below, mean SNFs alone can bill and be paid for these services when delivered to beneficiaries in a SNF, whereas codes being removed from this therapy inclusion list now can be billed

and potentially paid to other types of providers for beneficiaries NOT in a Part A stay or in a SNF bed receiving ancillary services billed on TOB 22x.

Outpatient Surgery and Related Procedures (*Major Category I F., FI Annual Update, INCLUSION)*

Remove 36489 – placement of cv catheter

Note on Code above:
Code discontinued effective 12/31/03

Customized Prosthetic Devices *(Major Category III, FI Annual Update, EXCLUSION)*

For FI claims processing, remove K0556*, K0557*, K0558*, K0559* - Addition to lower extremity, below knee/above knee, custom fab. **For carrier claims processing**, these codes will remain payable for dates of service prior to January 1, 2004.

Add L5673** - addition to lower extremity, below knee/above knee, custom fabricated from existing mold or prefabricated, socket insert, silicone gel, elastomeric or equal, for use with locking mechanism
Add L5679** - addition to lower extremity, below knee/above knee, custom fabricated from existing mold or prefabricated, socket insert, silicone gel, elastomeric or equal, not for use with locking mechanism

Chemotherapy Administration *(Major Category III, FI Annual Update, EXCLUSION)*

Remove 36489*** - placement of cv catheter

Notes on Codes above:
***** Codes were replaced by L5673, L5679, L5681 and L5683
****** Codes are added to exclusion list retroactive to 1/1/04.
******* Code discontinued effective 12/31/03

Therapies *(Major Category V, FI Annual Update, for FI billing use revenues codes 42x (physical therapy), 43x (occupational therapy), 44x (speech-language pathology)*

Remove G0295^ Electromagnetic stimulation, to one or more areas (Not covered by Medicare) (This code was not previously included on carrier coding files.)
Remove G0237^^ - Therapeutic procd strg endur
Remove G0238^^ - Oth resp proc, indiv
Remove G0239^^ - Oth resp proc, group
Remove G0302^^ - pre-op LVRS service
Remove G0303^^ - pre-op service LVRS 10-15dos
Remove G0304^^ - pre-op service LVRS 1-9dos
Remove G0305^^ - post-op service LVRS min 6dos

Add G0329 ^^^– electromagnetic therapy, (unattended), to one or more areas, for chronic stage III and stage IV pressure ulcers, arterial ulcers, diabetic ulcers, and venous stasis ulcers not demonstrating measurable signs of healing after 30 days of conventional care, as part of a therapy plan of care

Notes on Codes above:
^ This code was erroneously added to file. Code was not previously included on carrier coding files.
^^ These codes are not considered therapy codes and are not payable to a SNF. They were inadvertently added to the table.
^^^ This code was added to the therapy inclusion list effective July 1, 2004. (Information concerning this code was not received in time to issue a July 2004 update.)

B. Policy:

Section 1888 of the Social Security Act codifies SNF PPS and CB. The new coding identified in each update describes the same services that are subject to SNF PPS payment by law. No additional services will be added by these routine updates; that is, new updates are required by changes to the coding system, not because the services subject to SNF CB are being redefined. Other regulatory changes beyond code list updates will be noted when and if they occur.

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	Responsibility

3348.1	For FI processing, the Common Working File (CWF), part of Medicare claims processing systems, shall modify the existing list of codes used to enforce consolidated billing using the list of HCPCS and revenue codes in the background section of this business requirement document. **[Systems Requirement]**	CWF – FI Edits
3348.1.1	For FI processing, effective for claims with dates of service on or after 7/1/04, CWF shall add G0329 to the therapy inclusion list (Major Category V).	CWF – FI Edits
3348.2	For carrier claims processing, effective for claims with dates of service on or after 1/1/04, CWF shall add L5673 and L5679 to category 75 for services that can be separately paid by the carrier.	CWF – Carrier Edits
3348.3	For carrier claims processing, effective for claims with dates of service on or after 10/1/04, CWF shall add G0329 to the list of therapy codes that must be consolidated and cannot be separately paid by the carrier.	CWF – Carrier Edits
3348.4	For carrier claims processing, effective for claims with dates of service on or after 10/1/04, CWF shall remove G0237, G0238, G0239, G0302, G0303, G0304, and G0305 from the list of therapy codes that must be consolidated and cannot be separately paid by the carrier.	CWF – Carrier Edits
3348.4.1	For carrier claims processing, effective for claims with dates of service on or after 10/1/04, CWF shall add G0237, G0238, and G0239 to category 75, the list of therapy codes that can be separately paid by the carrier.	CWF – Carrier Edits
3348.5	For carrier claims processing, effective for claims received on or after October 1, 2004, the CWF Maintainer shall add HCPCS J-codes not included in previous SNF Consolidated Billing (CB) updates (J0000-J9999), Q-codes for anti-emetic drugs (Q0163 through Q0181), and EKG testing CPT codes (93005 and 93041) to the SNF CB bypass to allow carrier specialty type “59” ambulance claims submitted with these HCPCS codes to process and pay for modifiers other than “NN” when the beneficiary is not in a Part A stay.	CWF – Carrier Edits

3348.6	In addition to the provider education described above in I.C, carriers and DMERCs must notify providers and suppliers that information about the 2004 October quarterly update to SNF will be available on the CMS Web site at www.cms.hhs.gov/medlearn/snfcode.asp.	Carriers and DMERCs

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions:

X-Ref Requirement #	Instructions
3348.5	CR 3212

B. Design Considerations:

X-Ref Requirement #	Recommendation for Medicare System Requirements
N/A	

C. Interfaces: N/A

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

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. OTHER CHANGES

Citation	Change
N/A	

SCHEDULE, CONTACTS, AND FUNDING

Effective Date: October 1, 2004 **Additional effective dates within CR**: Business Requirement 3348.1.1 – July 1, 2004 Business Requirement 3348.2 – January 1, 2004 **Implementation Date:** October 4, 2004 **Pre-Implementation Contact(s):** Jason Kerr, (410) 786-2123, jkerr3@cms.hhs.gov for FI billing; Regional Offices for carrier billing. **Post-Implementation Contact(s):** Regional offices	These instructions should be implemented within your current operating budget.

Attachments