Program Memorandum Carriers

Transmittal B-02-076   Date: NOVEMBER 1, 2002

CHANGE REQUEST 2446

SUBJECT: **Annual Update for Skilled Nursing Facility (SNF) Consolidated Billing for the Common Working File (CWF) and Medicare Carriers**

I. GENERAL INFORMATION

A. Background:

CWF currently has 3 edits in place for claims received for beneficiaries in a Part A covered SNF stay as well as 1 edit for beneficiaries in a non-covered stay. These edits only allow services that are excluded from consolidated billing to be separately paid by the carrier.

B. Policy:

Changes in designation of codes from excluded to included (or vice versa) in consolidated billing will be considered corrections to align the codes with policy as opposed to changes in policy. Newly established Healthcare Common Procedure Coding System codes will be added to CWF edits to allow carriers to make appropriate payments in accordance with policy for SNF consolidated billing per CR 1764, Transmittal AB-01-159.

II. BUSINESS REQUIREMENTS

Requirement #	Requirements	Responsibility
1	Barring any delay in the Medicare Physician Fee Schedule, the new code files will be provided to CWF by November 1, 2002.	CMS
2	The CWF contractor must compare the new code list for category 75 to the codes in the current edit. Codes that appear on the new list, but not in the current edit, must be added to the edit.	CWF contractor
3	The CWF contractor must compare the new code list for codes that require the 26 modifier to the codes in the current edit. Codes that appear on the new list, but not in the current edit, must be added to the edit.	CWF contractor
4	The CWF contractor must compare the new code list for ambulance codes to the codes in the current edit. Codes that appear on the new list, but not in the current edit, must be added to the edit.	CWF contractor
5	The CWF contractor must compare the new code list for the Part B therapy codes to the codes in the current edit. Codes that appear on the new list, but not in the current edit, must be added to the edit.	CWF contractor

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II.   BUSINESS REQUIREMENTS (Cont.)

6	After it has compared all codes on the new edit list to those in the current edits, the CWF contractor must provide CMS with a list of codes by edit that were formerly on the edits, but do not appear on the new code lists.	CWF contractor
7	CMS will make a determination as to which codes should be deleted from which edits. This mechanism will allow for any changes in professional component/technical component designations to be correctly coded for edits and for deleted codes and codes no longer valid for Medicare purposes as of January 1, 2003, to continue to pay correctly for prior dates of service.	CMS
8	CMS will respond to the list provided by the CWF contractor and provide the determination on the codes to the CWF contractor.	CMS
10	The CWF contractor will delete codes from the edits per the CMS determination.	CWF contractor
11	Carriers must continue to respond to rejects and unsolicited responses received from CWF per current methodology.	Carriers
12	Carriers must reopen and reprocess any claims brought to their attention for services that prior to this update were mistakenly not considered to be excluded from consolidated billing and therefore, not separately payable. Carriers need not search claims history to identify these claims.	Carriers
13	By the first week in December 2002, new codes files will be posted to the CMS Web site at www.cms.hhs.gov/medlearn/snfcode.asp.	CMS
14	Through their Web sites and list serves, carriers must notify physician, non-physician practitioners, and suppliers of the availability of the new code files on the CMS Web site.	Carriers

III.   SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A.   Other Instructions:

X-Ref Requirement #	Instructions
CR 1764, AB-01-159	Provides basic instructions for carriers and CWF concerning the SNF consolidated billing rejects.
CR 2082, AB-02-037	Provides basic instructions for carriers and CWF concerning the SNF consolidated billing unsolicited response.

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. ATTACHMENT(S) – None.

Implementation Date: 1/1/03	**Effective Date:** 1/1/03
Discard Date: 12/31/03	**Funding**: These instructions should be implemented within your current operating budget.
Post-Implementation Contact: The appropriate Regional Office.	