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Implementation Date: N/A

Medicare Prescription Drug, Improvement, and Modernization Act (MMA) – Skilled Nursing Facility Consolidated Billing and Services of Rural Health Clinics and Federally Qualified Health Centers

Provider Types Affected

Skilled Nursing Facilities (SNFs), physicians, Rural Health Clinics (RHCs), and Federally Qualified Health Centers (FOHCs).

Provider Action Needed

This Special Edition is an informational article that describes SNF Consolidated Billing (CB) as it applies to services provided by RHCs and FOHCs.

Background

When the SNF Prospective Payment System (PPS) was introduced in 1998, it changed not only the way SNFs are paid, but also the way SNFs must work with suppliers, physicians, and other practitioners. CB places with the SNF itself the Medicare billing responsibility for virtually all of the services that the SNF's residents receive during the course of a covered Part A stay.

Payment for this full range of services is included in the SNF PPS global per diem rate. The only exceptions are those services that are specifically excluded from this provision, which remain separately billable to Medicare Part B by the entity that actually furnished the service. For a detailed overview of SNF CB and a list of the services excluded from SNF CB, see Medlearn Matters Special Edition SE0431 at:

<http://www.cms.hhs.gov/medlearn/matters/mmarticles/2004/SE0431.pdf>

RHC and FOHC services currently do not appear on the list of services that are excluded from the SNF CB requirement. Consequently, when a SNF resident receives RHC or FOHC services during a covered Part A stay, the services are bundled into the SNF's comprehensive per diem payment for the covered stay itself, and are not separately billable as RHC or FOHC services to the Fiscal Intermediary (FI). This means that rather than submitting a separate bill to the FI for these services, the RHC or FOHC looks to the SNF for its payment.

However, Section 410 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA, P.L. 108-173) has amended the law to specify that when a SNF's Part A resident receives the

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services of a physician (or another type of practitioner that the law identifies as being excluded from SNF consolidated billing) from an RHC or FOHC, those services would not become subject to CB merely by virtue of being furnished under the auspices of the RHC or FOHC.

In effect, the amendment enables such RHC and FOHC services to retain their separate identity as excluded "practitioner" services. As such, these RHC and FOHC services remain separately billable to the FI when furnished to an SNF resident during a covered Part A stay. The MMA specifies that this provision becomes effective with services furnished on or after January 1, 2005.

Additional Information

See Medlearn Matters Special Edition SE0431 for a detailed overview of SNF CB. This article lists services excluded from SNF CB and can be found at:

<http://www.cms.hhs.gov/medlearn/matters/mmarticles/2004/SE0431.pdf>

Also, the Centers for Medicare & Medicaid Services (CMS) Medlearn Consolidated Billing web site can be found at:

<http://www.cms.hhs.gov/medlearn/snfcode.asp>

It includes the following relevant information:

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

The SNF PPS Consolidated Billing web site can be found at:

<http://www.cms.hhs.gov/providers/snfpps/cb>

It includes the following relevant information:

- Background;
- Historical questions and answers;
- Links to related articles; and
- Links to publications (including transmittals and Federal Register notices).

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