Program Memorandum Intermediaries

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

Transmittal A-03-040 Date: MAY 9, 2003

CHANGE REQUEST 2674

SUBJECT: Clarification of Bill Types 22x and 23x Submitted by Skilled Nursing Facilities (SNFs)

I. GENERAL INFORMATION

This Program Memorandum (PM) clarifies when SNFs) should be reporting bill type 23x as opposed to bill type 22x, in those situations where the SNF elects to limit its Medicare participation to only a distinct part of the overall institution. This PM establishes that bill type 23x, not 22x, is used for beneficiaries who are placed in the Medicare non-certified part of the institution. Bill type 22x is used for those SNF residents who are in non-covered stays but are placed in the Medicare-certified distinct part of the institution. As explained below, bill type 22x is subject to SNF consolidating billing edits, while bill type 23x is not.

A. Background

According to §4432(b) of the Balanced Budget Act (BBA) of 1997 (P.L. 105-33), as originally enacted, the SNF consolidated billing legislation stated that beneficiaries were considered "residents" of the SNF for consolidated billing purposes no matter where (certified or non-certified part of the institution) the beneficiary was placed. Subsequent legislation (§313 of the Benefits Improvement and Protection Act of 2000, P.L. 106-554) revised the "resident" definition to include only individuals who were actually placed in the Medicare-certified part of the institution. Because those individuals who are placed in the Medicare non-certified area of the institution are no longer considered SNF "residents," it is appropriate to use bill type 23x (non-resident) rather than 22x (resident).

B. Policy

Regulations for certification of SNFs at title 42 of the Code of Federal Regulations (42 CFR), Part 483.5, specify that for Medicare and Medicaid purposes (including eligibility, coverage, certification, and payment), the "facility" is always the entity which participates in the program. Therefore, when the institution limits its Medicare SNF participation to a distinct part SNF, and moves a beneficiary who has exhausted Part A benefits from the Medicare-certified distinct part SNF to a Medicare non-certified area of the institution, the beneficiary has technically ceased to reside in the Medicare-certified SNF and, thus, is appropriately billed as a "non-resident" of the SNF using bill type 23x.

II. BUSINESS REQUIREMENTS

Req. #	Requirements
2674.1	Medicare intermediaries shall post information in the next schedule bulletin advising SNFs that, in situations where an institution limits its Medicare participation as a SNF to only a distinct part of the institution, bill type 23x rather than 22x is used for those beneficiaries who reside in the Medicare non-certified part of the institution. When bill type 22x is used for Part B services (e.g., lab tests, immunizations) furnished to such a beneficiary, it incorrectly identifies the beneficiary as a resident of the Medicare SNF. This, in turn, could inappropriately trigger SNF consolidated billing edits for therapy services that the beneficiary receives in the outpatient hospital setting. Instead, services furnished to SNF non-residents (i.e., to beneficiaries residing in the Medicare non-certified part of the institution, as well as to outpatients) are billed using bill type 23x. Section 560 of the Medicare SNF Manual (Pub. 12) classifies bill type 22x as applying to Part B services furnished to SNF residents, and bill type 23x as applying to Part B services furnished to non-residents of the SNF.

2674.2	Medicare intermediaries shall post information on their Web sites to educate providers within two weeks of receiving this Program Memorandum and have this information published in the next regularly scheduled bulletin. In addition, if the contractor has a list-serv that targets the affected provider communities, the contractor should notify subscribers that important information about Clarification on Bill Types 23x and 22x is available on the contractor's website.

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATION

A. Other Instruction

X-Ref. Req. #	Instructions
	N/A

B. Design Consideration:

X-Ref. Req. #	Recommendations for Medicare System Requirements Implementation
	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: N/A

Implementation Date: N/A **Discard Date: May 9, 2004** **Pre-Implementation Contact:** Taneka Rivera (410) 786-9502 LCDR William Ruiz (410) 786-9283	**Effective Date:** N/A **Funding:** This instruction should be implemented within your current operating budget **Post-Implementation Contact:** Regional Office