
Program Memorandum Carriers

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

Transmittal B-03-039

Date: May 9, 2003

CHANGE REQUEST 2707

SUBJECT: Common Working File (CWF) Skilled Nursing Facility (SNF) Consolidated Billing (CB) Bypass to Allow Separate Payment for Drugs

I. GENERAL INFORMATION

A. Background:

Effective April 1, 2002, CWF edits were implemented to identify HCPCS codes for ambulance services that are either subject to or excluded from SNF consolidated billing (CB). This coding change added SNF CB edits to CWF to deny payment of some separately billed ambulance services for beneficiaries in a SNF Part A covered stay. After the implementation of the edits in CWF for the separately billed codes, additional HCPCS codes for ambulance and ancillary services were identified and added to the CWF SNF CB edit in August 2002. Since the implementation of these updates, CMS has identified additional HCPCS codes for drugs that may be separately billable when provided as part of an ambulance transport.

When billing for ambulance transports, suppliers indicate whether the transport was part of a SNF Part A covered stay, using the appropriate origin/destination modifier (e.g., "NH" for a transport from a SNF to a hospital). Suppliers bill with an "NN" origin/destination modifier when a SNF to SNF transport occurs. A transport between two SNFs is not separately payable when a beneficiary is in a Part A covered SNF stay, and will result in a denial of a claim for such a transport. Certain drugs, including HCPCS codes J7030, J7040, J7042, J7050, J7051, and J7130 may be billed separately when provided during an ambulance transport to or from a SNF when a beneficiary is in a Part A stay. These items are only separately billable for those suppliers in carrier jurisdictions that paid separately for drugs prior to the implementation of the fee schedule on April 1, 2002. These items are not separately billable when provided during an inter-SNF transport.

B. Policy:

Suppliers providing an ambulance transport of a beneficiary in a Part A stay to or from a SNF, other than a SNF-to-SNF transport, may bill separately for HCPCS codes J7030, J7040, J7042, J7050, J7051, and J7130 during the ambulance fee schedule transition period, April 1, 2002 through December 31, 2005, in carrier jurisdictions that allowed separate payment for these items prior to the implementation of the fee schedule.

II. BUSINESS REQUIREMENTS

Requirement #	Requirements	Responsibility
2707.1	CWF shall add a new SNF CB bypass to allow claims submitted with Specialty Code “59” and HCPCS codes J7030, J7040, J7042, J7050, J7051, or J7130 to process and pay for modifiers other than “NN” when a beneficiary is in a Part A stay.	
2707.2	Carriers that allow separate payment for the specified J-codes shall use the CWF override code to bypass the CWF SNF CB edit and allow claims with dates of service between April 1, 2002 and September 30, 2003 submitted with Specialty Code “59” and HCPCS codes J7030, J7040, J7042, J7050, J7051, or J7130 to process and pay for modifiers other than “NN” when the beneficiary is in a Part A stay.	
2707.3	<p>Carriers shall notify suppliers on their Web sites, through any listserv(s), and in their regularly scheduled bulletin of the following information:</p> <ul style="list-style-type: none"> • Claims submitted with Specialty Code “59” and HCPCS codes J7030, J7040, J7042, J7050, J7051, or J7130 with dates of service on or after April 1, 2002 may have been denied in error for beneficiaries in a Part A covered SNF stay (except when billed with the “NN” modifier) in carrier jurisdictions that allowed separate payment for these items prior to the implementation of the ambulance fee schedule. • Affected suppliers should resubmit claims for Specialty Code “59” and HCPCS codes J7030, J7040, J7042, J7050, J7051, or J7130 processed incorrectly on or after April 1, 2002 for reprocessing. 	

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions:

X-Ref Requirement #	Instructions
2707.1	CWF shall create the new SNF CB bypass to allow for future updates of additional HCPCS J-codes as they are identified.

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. ATTACHMENT(S): None

<p>Implementation Dates: October 1, 2003 for requirement 2707.1 Within two weeks upon release for requirements 2707.2 and 2707.3 Discard Date: October 1, 2004 Post-Implementation Contact: Susan Webster (410) 786-3384 Effective Date: October 1, 2003</p>	<p>Funding: These instructions should be implemented within your current operating budget. Pre-Implementation Contact: Susan Webster (410) 786-3384</p>
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