CMS Manual System

Pub. 100-04 Medicare Claims Processing

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

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CHANGE REQUEST 2453

I. SUMMARY OF CHANGES: This transmittal manualizes and clarifies Program Memorandum B-02-087 entitled, "Skilled Nursing Facility (SNF) Consolidated Billing--New Requirement for Claims for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies".

MANUALIZATION – EFFECTIVE/IMPLEMENTATION DATE: Not Applicable

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:
(R = REVISED, N = NEW, D = DELETED)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	20/Table of Contents
N	20/211/SNF Consolidated Billing and DME Provided by DMEPOS Suppliers
N	20/211/211.1/General Information

***III. FUNDING:**

These instructions shall be implemented within your current operating budget.

IV. ATTACHMENTS:

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

***Medicare contractors only**

Medicare Claims Processing Manual

Chapter 20 - Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)

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(Rev. 222, Issued: 07-02-04) (Effective/Implementation: Not Applicable)

211 -SNF Consolidated Billing and DME Provided by DMEPOS Suppliers

211.1 - General Information

211 - SNF Consolidated Billing and DME Provided by DMEPOS Suppliers

(Rev.222, Issued: 07-02-04) (Effective/Implementation: Not Applicable)

211.1 - General Information

(Rev.222, Issued: 07-02-04) (Effective/Implementation: Not Applicable)

The Social Security Act (§1861(n)) specifies that a hospital or a skilled nursing facility (SNF) cannot be considered a patient's "home" for purposes of the DME benefit. (This restriction of coverage to only those items that are furnished for use in the patient's home <u>does</u> <u>not</u> <u>apply</u> to coverage under the separate Part B benefits for Prosthetics, Orthotics, and Supplies, which are payable without regard to the particular setting in which they are furnished.)

When DME is furnished for use in a SNF during a <u>covered Part A stay</u>, the DME Regional Carriers (DMERCs) shall not make separate payment for DME, since the DME is already included in the payment that the SNF receives for the covered stay itself. When DME is furnished for use in a SNF during a <u>noncovered stay</u> (SNF benefits exhausted, no qualifying 3-day hospital stay, etc.), the DMERCs still shall not make separate payment for DME, as explained above, Part B's DME benefit does not cover DME items that are furnished for use in SNFs. Even if a patient already rents or owns a piece of DME in their home, the SNF cannot require the patient to bring their own rented or purchased DME with them into the SNF.

211.2 - Partial Month Stays For Capped Rental Equipment

(Rev.222, Issued: 07-02-04) (Effective/Implementation: Not Applicable)

A. General Rule

For capped rental DME items where the DME supplier submits a monthly bill, the date of delivery (the "from" date) on the first claim must be the "from", or "anniversary date", on all subsequent claims for the item. For example, if the first claim for a wheelchair is dated September 15, all subsequent bills must be dated on the 15th of the following months (October 15, November 15, etc.).

The following instructions discuss DME payment when the DME is furnished during a month in which the beneficiary spends part of the month in a SNF, and part of the month in his or her own home. In accordance with DME payment policy, Medicare will make separate payment for a full month for DME items in such situations, provided the beneficiary was in the home on the "from" date or "anniversary date" defined above.

B. Policy:

If a beneficiary using DME is at home on the "from" or "anniversary date", Medicare will make payment for DME for the entire month, even if the "from" date is the date of discharge from the SNF.

If a beneficiary using DME is in a covered Part A stay in a SNF for a full month, Medicare will not make payment for DME for that month.

For capped rental items, if the covered Part A SNF stay overlaps the "from" or "anniversary date" of the Certificate of Medical Necessity (CMN), and the beneficiary is not in the covered Part A SNF stay for the entire month, the date of discharge becomes the new "anniversary date" for subsequent claims. In this situation, the supplier must submit a new claim with the date of discharge as the new anniversary date upon the beneficiary's release from the SNF. Suppliers should annotate the K3 segment for ANSI claims (HAO record for National Standard Format (NSF) claims, field 19 for paper claims) to indicate that the patient was in a SNF, resulting in the need to establish a new anniversary date.

NOTES: *1) DMERCs must continue to make payment for maintenance and servicing of capped rental items regardless of whether the beneficiary is in a covered Part A SNF stay on the date of service of the maintenance and servicing claim.*

2) DMERCs must make payment for DME on the date of discharge from a covered Part A SNF stay. Claims must edit based on the "from" date of the claim and not the "through" date of the claim.

Example 1:

A beneficiary rents a wheelchair beginning on January 1. The DMERC determines that the wheelchair is medically necessary and that the beneficiary meets all coverage criteria, and so begins to make payment on the wheelchair. The beneficiary enters a covered Part A stay in a SNF on February 15 and is discharged on April 5.

In this example, Medicare will make payment for the entire month of February, because the patient was in the home for part of the month. However, the DMERC will deny the claim for March, because the patient was in a covered Part A stay in the SNF for the entire month.

Because the anniversary date ("from" date) of the monthly bill was April 1, and the patient was still in the covered Part A stay in a SNF on that date, the DME supplier must not submit another claim until April 5 (the date of discharge). April 5 becomes the new anniversary date ("from" date) for billing purposes, so the supplier would now bill on the 5th of the month rather than the 1st of the month for the remainder of the capped rental period. The supplier should annotate the K3 segment for ANSI claims (HAO record for NSF claims, field 19 for paper claims)

to indicate that the patient was in a SNF on the first claim with the new anniversary date.

Example 2:

A beneficiary receives oxygen on January 1. On February 28, the patient enters a covered Part A stay in a SNF and is discharged on March 15.

In this example, the DMERC would deny a claim dated March 1. The supplier would submit a new claim dated March 15, which would then become the anniversary date for billing purposes. The supplier should annotate the K3 segment for ANSI claims (HAO record for NSF claims, field 19 for paper claims) to indicate that the patient was in a covered Part A stay in a SNF on the first claim with the new anniversary date.

Example 3:

A beneficiary rents a hospital bed beginning on January 1. On March 15, the patient enters a covered Part A stay in a SNF and is discharged on March 25.

In this example, the DMERC will make payment for the entire month of March.

NOTE: *The changes in the general policy in this instruction apply to all items of DME paid by the DMERCs. However, changes in "anniversary date" billing requirements only apply to capped rental DME.*