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# Medicare

## Skilled Nursing Facility Manual

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Department of Health and Human  
Services (DHHS)

HEALTH CARE FINANCING  
ADMINISTRATION (HCFA)

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<u>HEADER SECTION NUMBERS</u>	<u>PAGES TO INSERT</u>	<u>PAGES TO DELETE</u>
201.2 - 201.2	2-5 (1p.)	2-5 (1p.)

**CLARIFICATION/MANUALIZATION--EFFECTIVE DATE: Not Applicable**

Section 201.1, Distinct Part of an Institution as a SNE, is clarified. Manualized in this section are policies articulated in the May 31, 1996 Regional Office Memorandum on the prohibition of two or more distinct part skilled nursing facilities in a single institution.

**DISCLAIMER:** The revision date and transmittal number only apply to the redlined material. All other material was previously published in the manual and is only being reprinted.

## Definitions

### 201. SKILLED NURSING FACILITY (SNF) DEFINED

An SNF is an institution or a distinct part of an institution (see §201.1), such as a skilled nursing home or rehabilitation center, which has a transfer agreement in effect with one or more participating hospitals (see §201.2 for transfer agreements and §205 for definition of a participating hospital) and which:

A. Is primarily engaged in providing skilled nursing care and related services for residents who require medical or nursing care; or rehabilitation services for the rehabilitation of injured, disabled, or sick persons, and

B. Meets the requirements for participation in §1819 of the Social Security Act and in regulations in 42 CFR part 483, subpart B.

A qualified SNF is one that meets all the requirements in the above definition.

For Medicare purposes, the term SNF does not include any institution which is primarily for the care and treatment of mental diseases or tuberculosis. (This restriction does not apply to title XIX (Medicaid)). Also, the term SNF does not include swing bed hospitals authorized to provide and be reimbursed for SNF level services. Swing bed hospitals must meet many of the same requirements that apply to SNFs. (For more details regarding swing bed hospitals, see §201.3.)

201.1 Distinct Part of an Institution as an SNF.--The term "distinct part" refers to a portion of an institution or institutional complex (e.g., a nursing home or a hospital) that is certified to provide SNF and/or NF services. A distinct part must be physically distinguishable from the larger institution and fiscally separate for cost reporting purposes. An institution or institutional complex can only be certified with one distinct part SNF and/or one distinct part NF. A hospital-based SNF is by definition a distinct part. Multiple certifications within the same institution or institutional complex are strictly prohibited. The distinct part must consist of all beds within the designated area. The beds in the certified distinct part area must be physically separate from (that is, not commingled with) the beds of the institution or institutional complex in which it is located. However, the distinct part need not be confined to a single location within the institution or institutional complex's physical plant. It may, for example, consist of several floors or wards in a single building or floors or wards that are located throughout several different buildings within the institutional complex. In each case, however, all residents of the distinct part would have to be located in units that are physically separate from those units housing other patients of the institution or institutional complex. Where an institution or institutional complex owns and operates a SNF and/or a NF distinct part, that SNF and/or NF distinct part is a single distinct part even if it is operated at various locations throughout the institution or institutional complex. The aggregate of the SNF and/or NF locations represents a single distinct part subprovider, not multiple subproviders, and must be assigned a single provider number.

201.2 Transfer Agreements.--To participate in the program, an SNF must have a written transfer agreement with one or more participating hospitals (see § 205) providing for the transfer of patients between the hospital and the SNF, and for the interchange of medical and other information. If an otherwise qualified SNF has attempted in good faith, but without success, to enter into a transfer agreement, this requirement may be waived by the State agency. (See 42 CFR 483.75 (n) for the detailed requirements for transfer agreements.)

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