# Program Memorandum Intermediaries/Carriers

**Department of Health and Human Services (DHHS)**
**HEALTH CARE FINANCING ADMINISTRATION (HCFA)**

**Transmittal AB-01-33**

**Date: FEBRUARY 16, 2001**

**CHANGE REQUEST 1560**

**SUBJECT: Delay of Carrier and Intermediary Actions Required in CRs 1256 and 1323, Consolidated Billing for Skilled Nursing Facility (SNF) Residents, and Fee Schedule for Part B Residents and Outpatients**

## CARRIERS

This Program Memorandum (PM) serves to notify carriers to not implement any action required per CR 1256 until further notice. However, this does not relieve providers and suppliers of their responsibilities to comply with all requirements for SNF consolidated billing as described in §4432(b) of the Balanced Budget Act of 1997, Part 42 of the Code of Federal Regulations §411.15(p)(3)(iii) published on May 12, 1998, §103 of the Balanced Budget Refinement Act of 1999, and §313 of the Benefits Improvement and Protection Act of 2000.

The only exception to the above requirement that providers comply with the SNF requirements is that providers will not be required at this time to enter on any claims to carriers the SNF facility number (OSCAR number) of the SNF where the beneficiary resides. Providers will be informed when this provision is made effective.

Carriers should continue with required education efforts on SNF consolidated billing.

Carriers should remind providers of their responsibility to comply with the law as written and notify providers of the change to the OSCAR number requirement in their next regularly scheduled bulletins, on their websites, and through any already scheduled training sessions.

## INTERMEDIARIES

This PM serves to notify fiscal intermediaries (FIs) that the edits for SNF consolidated billing(CB), described in CR 1323, will not be implemented April 1, 2001. These edits are being delayed, and you will be notified prior to their implementation. However, this does not relieve providers and suppliers of their responsibilities to comply with all requirements for SNF CB as described in §4432(b) of the Balanced Budget Act of 1997, Part 42 of the Code of Federal Regulations §411.15(p)(3)(iii) published on May 12, 1998, §103 of the Balanced Budget Refinement Act of 1999, and §313 of the Benefits Improvement and Protection Act of 2000.

Also, effective April 1, 2001, FIs will make payment for all Part B services rendered to Part B inpatients and outpatients (Types of Bill 22x and 23x) based on the applicable fee schedule (or charge if lower than the fee schedule amount). If there is no fee schedule for the service or item being billed, FIs are to make payment based on cost. Consequently, all services billed under Part B are to be billed using HCPCS codes, whether the beneficiary resides in a certified bed or a non-certified bed.

If HCPCS codes exist for the service, they must be included on Form HCFA-1450. If they are not included on the bill, RTP the claim to the provider with a message saying HCPCS codes are required when billing this service. The rescission of Part B CB under BIPA of 2000 does not affect this provision. The source of the requirement for HCPCS codes, with a line item date of service, that will be paid on a fee basis is: Balanced Budget Act of 1997, §4432(b)(3); also identified as §1888(e)(9) and (10) of the Social Security Act.

**The *implementation date* of this PM is April 1, 2001.**

**The *effective date* of this PM is April 1, 2001.**

**These instructions should be implemented within your current operating budget.**

**This PM should be discarded after February 16, 2002.**

**Contractors should contact the appropriate regional office with any questions.**