
Program Memorandum Intermediaries

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

Transmittal A-00-57

Date: AUGUST 24, 2000

CHANGE REQUEST 1108

SUBJECT: Payment of Skilled Nursing Facility (SNF) Claims for Beneficiaries Disenrolling from Terminating Medicare+Choice (M+C) Plans Who Have Not Met the 3-day Stay Requirement

Starting October 2000 intermediaries are implementing a mechanism to pay for claims that does not involve systems changes in accordance with Transmittal Number A-00-49, released August 4, 2000, Change Request 1270. That mechanism should end December 31, 2000, with the implementation of the systems changes included in this instruction.

Intermediaries will start counting the 100-days of care with the SNF admission date (regardless of whether the beneficiary met the skilled level of care requirements on that date). All other original Medicare rules apply, such as the requirement that beneficiaries meet the skilled level of care requirement (for the period for which the original Medicare fee-for-service program is being billed).

To pay SNF claims for enrollees without a 3-day hospital stay and who are disenrolling from terminating M+C plans, you will deem the 3-day hospitalization met.

To pay these bills, you will:

- 1) Have the provider use condition code 58 on the first fee-for-service (also known as original Medicare) claim for a beneficiary who was in a terminating M+C organization and was an inpatient of a SNF at the time of termination.
- 2) If condition code 58 is present, bypass edit for 3-day prior stay at span code 70 and dates. Have Standard Systems bypass the edit on whether the admission date is within 30 days of span code 70 through date. Have Standard Systems pass condition code 58 to the Common Working File (CWF).
- 3) Have the CWF bypass the edit requiring span code 70 and dates if condition code 58 is present. Edit as follows: if the From Date = Admission Date, this date has to be within 30 days of an HMO enrollment period. If this condition is satisfied or the from date is not equal to the admission date, have CWF bypass the edit on whether the admission date is within 30 days of span code 70 through date if condition code 58 is present.

You will apply original Medicare coverage rules regarding the skilled level of care requirement. SNFs will need to assign these beneficiaries to a Resource Utilization Group. Only pay for claims submitted for beneficiaries in certified SNF beds.

Notify your SNFs in a newsletter or bulletin about the above clarification or by e-mail if feasible and more timely. Also, indicate to them that original Medicare fee-for-service rules regarding beneficiary cost sharing apply to these cases. That is, providers may only charge beneficiaries for SNF coinsurance amounts.

These instructions should be implemented within your current operating budget.

The effective date of this Program Memorandum (PM) is January 1, 2000.

The implementation date of this PM January 1, 2001.

For questions pertaining to payment and coverage, contact Sarah Thomas on (410) 786-9322.

This PM may be discarded January 1, 2002.

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