

Related Change Request (CR) #: N/A

Medlearn Matters Number: SE0518

Effective Date: N/A

Implementation Date: N/A

Skilled Nursing Facility (SNF) Consolidated Billing (CB) as It Relates to Therapy Services

Provider Types Affected

Skilled Nursing Facilities (SNFs), physicians, practitioners, physical and occupational therapists, speech-language pathologists, rehabilitation agencies, hospitals, home health agencies

Provider Action Needed

This article is informational only and describes SNF Consolidated Billing (CB) as it applies to physical and occupational therapies and speech-language pathology services furnished to SNF residents during a Part A covered stay, residents of a Medicare-certified SNF who are not eligible for Part A care, and beneficiaries who reside in the non-certified portion of a nursing home.

Note: The SNF CB requirement makes the SNF itself responsible for including on the Part A bill that it submits to its Medicare intermediary almost all of the services that a resident receives during the course of a Medicare-covered stay, except for a small number of services that are specifically excluded from this provision. These “excluded” services can be separately furnished to the resident and billed under Medicare Part B by a variety of outside sources. These sources can include other providers of service (such as hospitals), which would submit the bill for Part B services to their Medicare intermediary, as well as practitioners and suppliers who would generally submit their bills to a Medicare Part B carrier. (Bills for certain types of items or equipment would be submitted by the supplier to their Medicare durable medical equipment regional carrier (DMERC).)

Background

When the SNF Prospective Payment System (PPS) was introduced in 1998, it changed not only the way SNFs are paid, but also the way SNFs must work with suppliers, physicians, and other practitioners. Consolidated billing assigns to the SNF itself the Medicare billing responsibility for virtually all of the services that the SNF’s residents receive during the course of a covered Part A stay. A covered Part A stay occurs when a beneficiary meets all of the requirements for coverage under Part A’s extended care benefit, and resides in an institution or part thereof that is Medicare-certified as an SNF. Payment for this full range of services is included in the SNF PPS global per diem rate.

The only exceptions are services specifically excluded from this consolidated billing provision, which remain separately billable to Medicare Part B by the entity that actually furnished the service.

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The law specifically provides that physical therapy (PT), occupational therapy (OT), and speech-language pathology (SLP) services are not excluded

from consolidated billing (Section 1888(e)(2)(A)(ii) of the Social Security Act and regulations at 42 CFR 411.15(p)(1)(i)). (References in this article to therapy cover only PT, OT, and SLP services.)

(See Medlearn Matters Special Edition article SE0431 for a detailed overview of SNF consolidated billing, including a section on services excluded from SNF consolidated billing.) This article can be found at:

<http://www.cms.hhs.gov/medlearn/matters/mmarticles/2004/SE0431.pdf>

The consolidated billing legislation is very emphatic that PT, OT, and SLP services furnished to SNF residents are always subject to consolidated billing. This applies even when a resident receives the therapy during a non-covered stay in which a beneficiary who is not eligible for Part A extended care benefits still resides in an institution (or part thereof) that is Medicare-certified as a SNF. The legislation also applies regardless of whether or not the services are performed by, or under the supervision of, a practitioner (such as a physician) whose services would otherwise be excluded from consolidated billing.

Therapy services that are furnished to residents of a Medicare-certified SNF are subject to the SNF consolidated billing provision. Payment for therapy services furnished during a covered Part A stay is included in the SNF's global per diem PPS rate.

In a non-covered SNF stay, the beneficiary may be eligible for coverage of individual medical and other health services under Part B. Since the beneficiary still resides in a Medicare-certified institution (or part thereof) the therapy services are subject to the SNF consolidated billing provision. Under this provision, the claims for therapy services furnished during a non-covered SNF stay must be submitted to Medicare by the SNF itself. The SNF is responsible for reimbursing the provider. The SNF would bill its fiscal intermediary and be reimbursed under the Medicare fee schedule.

When a beneficiary resides in a nursing home (or part thereof) that is not certified as an SNF by Medicare, the Part A extended care benefit cannot cover the beneficiary's stay. However, the beneficiary may still be eligible for Part B coverage of certain individual services, including therapy. In this case, the beneficiary is not considered an SNF resident for Medicare billing purposes, and the therapy services are not subject to consolidated billing. Either the therapy provider or the facility may bill the Medicare carrier for Part B directly.

Additional Information

See Medlearn Matters Special Edition SE0431 for a detailed overview of SNF CB. This article lists services excluded from SNF CB and can be found at:

<http://www.cms.hhs.gov/medlearn/matters/mmarticles/2004/SE0431.pdf>

The Centers for Medicare and Medicaid Services (CMS) Medlearn Consolidated Billing Web site can be found at:

<http://www.cms.hhs.gov/medlearn/snfcodes.asp>

It includes the following relevant information:

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- General SNF consolidated billing information;
- HCPCS codes that can be separately paid by the Medicare carrier (i.e., services not included in consolidated billing);
- Therapy codes that must be consolidated in a non-covered stay; and
- All code lists that are subject to quarterly and annual updates and should be reviewed periodically for the latest revisions.

The SNF PPS Consolidated Billing web site can be found at:

<http://www.cms.hhs.gov/providers/snfpps/cb>

It includes the following relevant information:

- Background;
- Historical questions and answers;
- Links to related articles; and
- Links to publications (including transmittals and Federal Register notices).

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