Understanding Skilled Nursing Facilities (SNFs)

A Guide for Health Care Providers and Practice Administration

Example EYLEA® (aflibercept) Injection Issues With SNFs

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Covered	or Noncovered
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Patient SNE Stave

Issue: Is the patient's SNF stay covered or noncovered under Medicare?

Example scenario: Patient is diagnosed, meets medical necessity criteria for EYLEA injections, and is a resident in an SNF. Provider must determine whether to bill the SNF or Medicare.

Medicare General Information, Eligibility, and Entitlement, Chapter 3, Section 10.4 states...

Generally, a patient is eligible for **100 days** of extended care services during each benefit period.

Medicare Claims Processing Manual, Chapter 7, Section 110 states...

For Medicare beneficiaries in a noncovered stay, only therapy services are subject to SNF consolidated billing. All other covered SNF services for these beneficiaries can be separately billed to and paid by the Medicare Administrative Contractor.

Interruption in Covered SNF Stay

Issue: Is there an interruption in patient's covered SNF stay?

Example scenario:

Patient is diagnosed and meets medical necessity criteria for EYLEA injections. Adult child brings patient in for EYLEA injections. Patient has been a resident of an SNF for fewer than 100 days.

Medicare Claims Processing Manual, Chapter 6, Section 10.1 states...

The SNF's responsibility to arrange for needed services ends when the beneficiary is formally discharged (or otherwise departs) from the SNF unless they are readmitted (or return) to that or another SNF before the following midnight (the "midnight rule").

Payment by SNF or Medicare

Issue: Is the SNF or Medicare financially responsible for the EYLEA injections?

Example scenario: Patient is diagnosed and meets medica necessity criteria for EYLEA injections. Patient is a resident of an SNF (uninterrupted for fewer than 100 days). Provider must determine whether to bill the SNF or Medicare.

Medicare Claims Processing Manual, Chapter 6, Sections 20, 20.1, and 20.1.1 state...

Determine whether products or services are excluded or included under consolidated billing:

A detailed listing of services and products excluded from consolidated billing requirements is accessible from CMS at http://bit.ly/2DF4ZXA.

- From the left column, select the year when the products or services were rendered
- Search the CPT or HCPCS codes. Inclusion of the products or services on the list means they are excluded from consolidated billing requirements

Excluded products and services payable by Medicare:

The following physician services and professional components:

- CPT 67028: Intravitreal injection of a pharmacologic agent
 CPT 92014: Physician visit
- CPT 92134: Optical coherence tomography

Included products and services payable by the SNF: Certain drugs and biologics not specifically excluded are included under consolidated billing.

• EYLEA HCPCS J0178 is not specifically excluded and is therefore included under consolidated billing

CMS = Centers for Medicare & Medicaid Services; CPT = Current Procedural Terminology; HCPCS = Health Care Common Procedure Coding System.

Provider Arrangement With SNF

Issue: What are the SNF's responsibilities to the provider both with and without a written agreement?

Example scenario: Patient is diagnosed and meets medical necessity criteria for EYLEA injections. Patient is a resident of an SNF (uninterrupted for fewer than 100 days). Consolidated billing requires the SNF to pay for EYLEA injections.

Medicare Claims Processing Manual, Chapter 6, Section 10.4 states...

With written agreement: For any Part A or Part B service subject to SNF consolidated billing, the SNF must either furnish the service directly with its own resources or obtain the service from an outside entity under an arrangement.

Without written agreement: The absence of a valid arrangement does not invalidate the SNF's responsibility to reimburse providers for services included in the SNF's consolidated billing. This obligation applies even when the SNF did not specifically order the service. Examples include:

- During a scheduled physician's visit, the physician performs additional diagnostic tests that were not ordered by the SNF
- A family member arranges for a physician visit without the knowledge of the SNF staff, and the physician bills the SNF for "included" services

Sample SNF-provider arrangement agreements are accessible from CMS at https://go.cms.gov/2RTXY42.

SNF Refuses to Pay

Issue: What is the SNF's obligation to pay the provider?

Example scenario: Patient is diagnosed and meets medical necessity criteria for EYLEA injections. Patient is a resident of an SNF (uninterrupted for fewer than 100 days). Consolidated billing requires the SNF to pay for EYLEA injections. SNF refuses to pay.

Medicare Claims Processing Manual, Chapter 6, Section 10.4 states...

An SNF is required to either furnish directly or arrange for all Medicare-covered services furnished to an SNF resident. There are potentially adverse consequences to SNFs when patterns of such denials are identified. Specifically, all participating SNFs agree to comply with program regulations when entering into a Medicare-provider agreement, which requires an SNF to have a valid arrangement in place whenever a resident receives services subject to consolidated billing from any entity other than the SNF itself.

Medicare Claims Processing Manual, Chapter 6, Section 10.4.1 states...

An SNF demonstrating a pattern of nonpayment also risks being found in violation of the terms of its own CMS-provider agreement.

Rebill

Issue: What are the provider's options regarding the Medicare-denied claim?

Example scenario: Patient is diagnosed and meets medical necessity criteria for EYLEA injections. Adult child brings patient in for EYLEA injections. Provider is unaware that patient is a resident of an SNF (uninterrupted for fewer than 100 days). Medicare denies the claim because of SNF's consolidated billing requirements.

Medicare Claims Processing Manual, Chapter 34, Section 10.1 states...

A contractor may conduct a reopening to revise an initial determination. The claim may then be reviewed by the Medicare Administrative Contractor for the physician services portion of the claim that is excluded under consolidated billing requirements. The provider may then bill the SNF (with remit advice) under arrangement for the portion of claim included under consolidated billing requirements.

For more information on SNFs, go to http://bit.ly/2DPLLTF.



Visit NavigatingPayerChallenges.com for state-specific and federal legislation or contact your Reimbursement Business Manager (RBM) for more information

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