Communication Practices

How do you communicate with other providers?

Resident Data Part A Beneficiary

BILLING OFFICE
FACILITY TEAM
MEDICAL TEAM
HOSPITALS / CLINICS
Communication Practices

• What do you want to communicate?
  – Individual’s name etc.
  – Facility name
  – Billing address
  – Covered by Medicare Part A
  – Subject to SNF consolidated billing
  – Bill facility in accordance with contract
  – Bill facility within ___ days w/HCPCS code

• Maintain copy in facility files
Consolidated Billing

- Effective July 1, 1998 Part A Medicare
- Delayed indefinitely for Part B Medicare with exception of therapy services
- Applies to all Medicare participating skilled nursing facilities including swing beds
  - Exception – CAH swing beds
- Applies to SNF residents with Part A and/or Part B coverage
- Applies to Part A ancillary services with some exceptions and Part B therapy services
Consolidated Billing

- Services must be provided directly by SNF employees or under arrangement
- Services must be billed under SNF provider number

**REMINDER** ---- If the service is not a Medicare covered service, the SNF is not responsible to provide the service under consolidated billing.
Consolidated Billing – Part A

• Common situations -

  Resident requests a private room

  Clinic visit by local transportation

  Services with facility beautician
Consolidated Billing - Part A

Services to be billed by SNFs

- Physical Therapy
- Occupational Therapy
- Speech Language Pathology
- Lab Tests
- Diagnostic X-Ray
- TPN/PEN
- Certain Prosthetic Devices (including repairs and adjustments)

(EXAMPLE ONLY - not intended to be all inclusive)
Consolidated Billing - Part A

Services to be billed by SNF (continued)

• Dressings/Splints/Casts
• Pharmacy
• Braces, Trusses, Artificial Limbs (including repairs and adjustments)
• Hemophilia Clotting Factors
• Ambulance Services - EXCEPTIONS
• “Incident to” services

(EXAMPLE ONLY - not intended to be all inclusive)
“Incident to” services (MCM 2050.1)

- Services or supplies are furnished as an integral, although incidental, part of the physician’s personal professional services in the course of diagnosis or treatment of an injury or illness

- Must be
  - An “integral part” of a diagnosis or treatment
  - Provided under the “direct supervision” of a physician
  - Performed by an employee of that physician
  - Something ordinarily done in a clinic or physician’s office
Consolidated Billing - Part A

Excluded Services

– Physician services
– Physician assistants working under a physician’s supervision
– Nurse practitioners and clinical nurse specialists working in collaboration with a physician

(EXAMPLE ONLY - not intended to be all inclusive)
Excluded Services (continued)

- Home dialysis supplies and equipment, self-care home dialysis support services and institutional dialysis services and supplies
- Erythropoietin (EPO) for certain dialysis patients, subject to methods and standards for its safe and effective use (see 42 CFR 405.2163 (g) and (h))
- Hospice care related to a beneficiary’s terminal condition
- An ambulance trip that transports a beneficiary to the SNF for initial admission or from the SNF following a final discharge

(EXAMPLE ONLY - not intended to be all inclusive)
Consolidated Billing - Part A

Transmittal No. AB-98-37

November 1998 Additional Exclusions

- Cardiac catheterization *
- CT Scans *
- MRI *
- Ambulatory surgery involving the use of an operating room *
- Radiation therapy *
- Angiography codes *
- Lymphatic/venous procedures *

* Provided in a hospital / CAH

(EXAMPLE ONLY - not intended to be all inclusive)
Post-BBA Consolidated Billing Exclusions

Federal Register/Vol. 65, No. 69

- Chemotherapeutic Agents by HCPCS Codes
- Chemotherapy Administration by CPT Codes
- Radioisotope Services CPT Codes
- Certain Prosthetics by HCPCS Codes

(EXAMPLE ONLY - not intended to be all inclusive)
Consolidated Billing – Part A

• Preventive and Screening Services during Part A covered stay -
  Mammography
  Hepatitis B, Flu, Pneumococcal Vaccines
  Screening Pap Smear
  Colorectal Screening Services
  Prostate Cancer Screening
  Glaucoma Screenings

• SNF required to bill Medicare Part B - 2004
Consolidated Billing - Part A

- SNFs bill fiscal intermediary
- SNF responsible for billing unless:
  - Individual is admitted as an inpatient to a Medicare-participating hospital or critical access hospital
  - Receives services from a Medicare-participating home health agency under a plan of care
  - The beneficiary is formally discharged (or otherwise departs) from the SNF, unless the beneficiary is readmitted (or returns) to that or another SNF by midnight.
  - The beneficiary receives outpatient services from a Medicare participating hospital or CAH (but only with respect to those services that are not furnished pursuant to the SNF’s required assessment or comprehensive care plan).

(EXAMPLE ONLY - not intended to be all inclusive)
Communication Practices

How do you communicate internally?

Resident Data
Part A Beneficiary

BILLING OFFICE
FACILITY TEAM
MEDICAL TEAM
HOSPITALS / CLINICS
Consolidated Billing – Part A

- Business office
  Process accounts payable
  Bill Medicare – UB-92
- Confirmation that service was provided during Part A stay
- Confirm HCPCS code in compliance with consolidated billing
- Appropriate billing rate/compliance with contract
Contract Arrangements

• Review CMS Transmittal 183 – May 21, 2004
• SNF must exercise professional responsibility & control over arranged for services
• Identify contract payment arrangements
• Denial of covered service by intermediary
• Billing by _____ day of following month
• Itemized billing including HCPCS codes
The Margins of Medicare SNF Programs Are Strong

**Chart 9-8. Freestanding SNF Medicare margins**

<table>
<thead>
<tr>
<th>Type of SNF</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>17.6%</td>
<td>17.4%</td>
<td>10.8%</td>
<td>13.7%</td>
<td>12.9%</td>
</tr>
<tr>
<td>Urban</td>
<td>17.4</td>
<td>16.8</td>
<td>10</td>
<td>13</td>
<td>12.3</td>
</tr>
<tr>
<td>Rural</td>
<td>18.4</td>
<td>20</td>
<td>14.1</td>
<td>16.5</td>
<td>15.4</td>
</tr>
<tr>
<td>For profit</td>
<td>20</td>
<td>20.1</td>
<td>14</td>
<td>16.7</td>
<td>15.5</td>
</tr>
<tr>
<td>Nonprofit</td>
<td>10.2</td>
<td>8.9</td>
<td>1.3</td>
<td>4</td>
<td>4.5</td>
</tr>
<tr>
<td>Government</td>
<td>4.5</td>
<td>3.1</td>
<td>-6.8</td>
<td>-3.6</td>
<td>-5.4</td>
</tr>
</tbody>
</table>

Note: SNF (skilled nursing facility). Margins are calculated as payments minus costs, divided by payments for each group; margins are based on Medicare-allowable costs.


Source: MedPac Chartbook June 2007, page 130
Freestanding represents a sample of 100+ facilities and attached represents a sample of 17 facilities.
• Skilled Nursing Facility Proposed Medicare Payment Changes 2007 – 2008
2008 Medicare Part A Coinsurance

- SNF Part A coinsurance increased to $128 per day for days 21 through 100.
Skilled Nursing Facility Medicare Payment

- Prospective Payment System (PPS)
- Published updates 5-4-2007 Federal Register
  - Rates effective 10-01-2007
- Published final updates 8-3-2007 Federal Register
- CMS has indicated that some corrections will be published
Skilled Nursing Facility Medicare Payment

- 10-01-2007 Proposed Changes
  - Full market based increase – 3.3%
    - Approximately $690 million
- Rates vary based on geographic location due to wage index
- AIDS 25% add on continues
- Applies to swing beds in rural hospitals
- Labor related component 70.152% adjusted by wage index
- Non-labor component 29.848%
<table>
<thead>
<tr>
<th>Area</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>0.9079</td>
<td>0.9153</td>
</tr>
<tr>
<td>Metro</td>
<td>1.1093</td>
<td>1.0946</td>
</tr>
<tr>
<td>Benton &amp; Stearns</td>
<td>1.0549</td>
<td>1.0362</td>
</tr>
<tr>
<td>St. Louis, Carlton</td>
<td>0.9975</td>
<td>1.0042</td>
</tr>
<tr>
<td>Clay</td>
<td>0.8042</td>
<td>0.8253</td>
</tr>
<tr>
<td>Olmstead, Dodge, Wabasha</td>
<td>1.0755</td>
<td>1.1408</td>
</tr>
<tr>
<td>Polk</td>
<td>0.7881</td>
<td>0.7949</td>
</tr>
<tr>
<td>Houston</td>
<td>0.9685</td>
<td>0.9462</td>
</tr>
</tbody>
</table>
Rehab with Extensive Services
First Quarter 2007 - National

RUG Census

- Rehab Services: 48.6%
- Rehab with Extensive: 36.1%
- Clinically Complex: 3.9%
- Other: 1.7%
- Extensive Services: 6.3%
- Special Care: 3.5%
Skilled Nursing Facility – Medicare Bad Debt

- 100% reimbursement for dual eligible individuals’ co-insurance if proper procedures are followed
  - Billing to the State Medicaid program with documentation of denial
  - Bad debt written off within cost reporting period
  - Most intermediaries will provide interim payments for bad debts if a history has been established
Proposed Medicare Part B Changes

• Proposed physician fee schedule published July 12, 2007 for implementation January 2008

• Final fee schedule generally published in November/December

• Proposal reflects approximately 10% reduction in Medicare fee schedule
Proposed Medicare Part B Changes

• Change will impact payments to SNF for Part B therapy services

• CMS also proposes a change in physician certification for Part B therapy
  – Approximate length of treatment, not to exceed 90 days rather than the current every 30 days
  – CMS will evaluate after 2 year period
Proposed Medicare Part B Changes

• Proposal does increase physician reimbursement to provide care to nursing facility residents
  – American Medical Directors Association estimates approximately $176M
Comprehensive Error Rate Testing Program (CERT)

• Implemented by CMS to monitor the accuracy of claims processing by Medicare contractors

• Common errors identified – SNF
  – Incomplete therapy documentation
  – Incorrect Part B CPT coding for therapy services
  – Blood glucose Part B billing
    ◊ Lack of promptly reporting the results to the physician and the physician using the results to instruct continuation of care or modification of patient care
    ◊ Monitoring HCPCS codes 82962 & 82948
Comprehensive Error Rate Testing Program (CERT)

- Common errors identified – HHA
  - Documentation of therapy visits - 10 or more
  - Physician order for services provided
  - Billing for nonskilled services - help patient fill med box
SNF Medicare Studies

- Pay For Performance (P4P)
- STRIVE Project
  - Staff Time and Resource Intensity Verification Project
- MDS 3.0
- Post Acute Care Demonstration Project
Thank you