



# MLN Matters



Information for Medicare Fee-for-Service Health Care Professionals

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## **Medicare Prescription Drug, Improvement, and Modernization Act (MMA) – Skilled Nursing Facility Consolidated Billing and Services of Rural Health Clinics and Federally Qualified Health Centers**

**Note:** This article was revised to contain Web addresses that conform to the new CMS website and to show they are now MLN Matters articles. All other information remains the same.

### **Provider Types Affected**

Skilled Nursing Facilities (SNFs), physicians, Rural Health Clinics (RHCs), and Federally Qualified Health Centers (FQHCs).

### **Provider Action Needed**

This Special Edition is an informational article that describes SNF Consolidated Billing (CB) as it applies to services provided by RHCs and FQHCs.

**Clarification:** 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).)

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## Background

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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. CB places with 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.

Payment for this full range of services is included in the SNF PPS global per diem rate. The only exceptions are those services that are specifically excluded from this provision, which remain separately billable to Medicare Part B by the entity that actually furnished the service. For a detailed overview of SNF CB and a list of the services excluded from SNF CB, see MLN Matters Special Edition SE0431 at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0431.pdf> on the CMS website.

Prior to January 1, 2005, RHC and FQHC services did not appear on the original list of services that were statutorily excluded from the SNF CB requirement. Consequently, when a SNF resident receives RHC or FQHC services during a covered Part A stay, the services were bundled into the SNF's comprehensive per diem payment for the covered stay itself, and were not separately billable as RHC or FQHC services to the Fiscal Intermediary (FI). This means that rather than submitting a separate bill to the FI for these services, the RHC or FQHC looked to the SNF for its payment.

However, Section 410 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA, P.L. 108-173) amended the law to specify that when a SNF's Part A resident receives the services of a physician (or another type of practitioner that the law identifies as being excluded from SNF consolidated billing) from an RHC or FQHC, those services are not subject to CB merely by virtue of being furnished under the auspices of the RHC or FQHC.

In effect, the amendment enables such RHC and FQHC services to retain their separate identity as excluded "practitioner" services. As such, these RHC and FQHC services remain separately billable to the FI when furnished to an SNF resident during a covered Part A stay. The MMA specifies that this provision became effective with services furnished on or after January 1, 2005.

## Additional Information

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See MLN 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/MLNMattersArticles/downloads/SE0431.pdf> on the CMS website.

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Also, the Centers for Medicare & Medicaid Services (CMS) MLN Consolidated Billing information can be found at

<http://www.cms.hhs.gov/SNFConsolidatedBilling/> on the CMS website.

It includes the following relevant information:

- 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/SNFPSP/01\\_Overview.asp#TopOfPage](http://www.cms.hhs.gov/SNFPSP/01_Overview.asp#TopOfPage) on the CMS website. 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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