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## Prosthetics and Orthotics Ordered in a Hospital or Home Prior to a Skilled Nursing Facility Admission

**Note:** This article was updated on March 29, 2013, to reflect current Web addresses. All other information remains unchanged.

### Provider Types Affected

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Skilled nursing facilities (SNFs), physicians, suppliers, and providers

### Provider Action Needed

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This article is informational only and describes who is responsible for billing when a customized device is ordered for a beneficiary while in the hospital or home but delivered to the beneficiary at a skilled nursing facility.

### Background

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When a customized device is ordered while a beneficiary is an inpatient at a hospital, and the device is not delivered until after the beneficiary has moved to a skilled nursing facility (SNF), the issue arises as to who is responsible for the billing of the item.

When a beneficiary is going from a hospital stay to a SNF Part A stay and needs an orthotic or prosthetic device, the facility where the medical need occurred is responsible for billing (rather than the supplier or provider of the device, which would bill for instances when need is established while the beneficiary is at home or in the community).

Thus, if a prosthetic or orthotic device is medically necessary at the time the beneficiary is in the hospital, in the rare case when the prosthetic or orthotic is not delivered until the beneficiary has arrived at the SNF, the hospital remains responsible for billing for the item.

However, when the medical necessity for the prosthetic or orthotic device occurs after the time the Part A resident enters the SNF; the SNF is responsible for the billing of the prosthesis or orthosis. Given that most prosthetics (and all orthotic

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devices) are subject to SNF consolidated billing, the cost would be covered in the SNF's global per diem payment unless the item is specifically excluded from SNF consolidated billing. Certain specified customized prosthetics are excluded and if the need for these devices was established in the SNF, the supplier is to bill the Durable Medical Equipment Regional Carrier (DMERC).

When a beneficiary requires a prosthesis or orthosis while in the home and then enters a SNF for a covered Part A stay, the DMERC would be billed by the party which supplied the device (not the SNF). Medical necessity must have been established while the beneficiary was in the home.

If the beneficiary enters a SNF for a non-covered stay and thereafter develops a medical need for a customized device which the SNF orders, the SNF would bill the DMERC for the item, since SNF consolidated billing rules do not apply.

## Additional Information

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See the *Medicare Claims Processing Manual*, Publication 100-4, Chapter 20, §110.3, "Pre-Discharge Delivery of DMEPOS for Fitting and Training," which covers instances in which a beneficiary may take delivery of a DME, a prosthetic, or an orthotic for use at home during his or her last two days in an inpatient facility before returning home. This publication can be found at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c20.pdf> on the Centers for Medicare & Medicaid Services (CMS) website.

Also, see MLN Matters Special Edition SE0437 for an article that provides specifics on how SNF consolidated billing applies to prosthetics and orthotics. This article can be found at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/SE0437.pdf> on the CMS website.

In addition, the CMS MLN Consolidated Billing website can be found at <http://www.cms.gov/Medicare/Billing/SNFConsolidatedBilling/index.html> 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.

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The SNF PPS Consolidated Billing website can be found at <http://www.cms.gov/Medicare/Billing/SNFConsolidatedBilling/index.html> 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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