
HCFA Rulings

Department of Health
and Human Services

Health Care Financing
Administration

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MEDICARE PROGRAM

Hospital Insurance Benefits (Part A)

Criteria for Defining Skilled Nursing Facility Under Section 1861(j)(1) of the Social Security Act

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Purpose: This Ruling provides public notice of the criteria the Secretary has established for defining "skilled nursing facility" under section 1861(j)(1) of the Social Security Act (the Act).

Citations: Sections 1812 and 1861 of the Social Security Act (42 U.S.C. 1395d and 1395x); 42 CFR 401.108; 47 FR 54551, December 3, 1982.

Pertinent History: Under the Hospital Insurance Program (Medicare-Part A), payment for covered inpatient hospital and skilled nursing facility (SNF) services is available for a limited number of days during each benefit period or "spell of illness". Once a beneficiary has exhausted that allotted number of days (150 days for inpatient hospital care¹ and 100 days for SNF care), no further Part A program payment is available for those services until the beneficiary ends that "spell of illness" and begins a new one (Section 1812(a) of the Act, 42 U.S.C. 1395d(a)). A patient's "spell of illness" begins on the day he or she is furnished hospital or SNF services and ends when he or she has not been an inpatient of a hospital or SNF for 60 consecutive days (Section 1861(a) of the Act, 42 U.S.C. 1395x(a)).

The material following section 1861(j)(15) of the Act (42 U.S.C. 1395x(j)(15)) specifies that for purposes of determining when a "spell of illness"

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ends under section 1861(a), a SNF is defined by section 1861(j)(1) of the Act (42 U.S.C. 1395x(j)(1)). This latter provision defines a SNF as a facility which

¹ A beneficiary may receive up to 90 days of inpatient hospital care per spell of illness and has an additional 60 days of lifetime reserve benefits upon which to draw.

"(1) is primarily engaged in providing to inpatients (A) skilled nursing care and related services for patients who require medical or nursing care, or (B) rehabilitation services for the rehabilitation of injured, disabled, or sick persons."

Thus, a beneficiary who continuously resides in a nursing home meeting this definition is considered an inpatient of a SNF under section 1861(a), and cannot close out his or her "spell of illness" for purposes of receiving renewed benefits.

HCFA developed criteria early in the program which clarify their definition of a skilled nursing facility. These criteria are included in section 3412 of the State Operations Manual. The HCFA Ruling published in this notice restates the criteria set forth in that manual.

Criteria for Defining Skilled Nursing Facility Under Section 1861(j)(1) of the Social Security Act

Ruling: An institution meets the section 1861(j)(1) definition of "skilled nursing or rehabilitation facility" only if all the following criteria are met.

- A. **Nursing Services.** – Nursing services are provided under the direction or supervision of one or more registered nurses or licensed practical or vocational nurses without regard to whether they are "waived." This condition will be considered met even if the nurse is also the administrator of the facility or is employed on a part-time basis.
- B. **24-Hour Nursing Services.** – There are nursing personnel on duty 24 hours a day. The term "nursing personnel" includes registered nurses, licensed

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practical or vocational nurses without regard to whether they are "waived" or not, practical nurses, student nurses, nursing aides, and orderlies.

- C. **Nurse-Bed Ratio.** – The number of full-time equivalent nursing personnel to the number of beds is not less than an average ratio of 1 to 15 per shift.

Note. – Generally, there will be a close equivalency between the number of beds and average number of patients in an institution. Where the circumstances indicate a significant discrepancy in these factors, the ratio of nurses to the average patient census should be used in determining section 1861(j)(1) status.

A facility which has three 8-hour shifts would have to have a minimum of the equivalent of three full-time nursing personnel during a 24-hour period for each 15 beds. It is not necessary that the 1 to 15 ratio be maintained for each shift, but the average of all shifts must be at least 1 to 15. Nursing personnel include all those persons listed in paragraph B above. In determining the ratio, nurses who are also administrators should be counted as nursing personnel.

- D. Other Services. – Bed and board are provided to inpatients in connection with the furnishing of nursing care, plus one or more medically related health services such as physicians' services, physical, occupational or speech therapy, diagnostic and laboratory services, and administration of medication. (Social, diversional, or recreational services provided by the institution would not be considered medically related health services.)

Effective Date: December 3, 1982.