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Skilled Nursing Facility Consolidated Billing (CB) as It Relates to Prosthetics and Orthotics

Key Words

Skilled, Nursing, Prosthetic, Orthotics, Consolidated, Billing, CB, Category, HCPCS, SE0437, SNF

Provider Types Affected

Skilled Nursing Facilities (SNFs), physicians, suppliers, and providers

Key Points

- SE0437 is an informational article that describes SNF Consolidated Billing (CB) as it applies to prosthetics and orthotics.
- The SNF CB provision of the Balanced Budget Act (BBA) of 1997 is a comprehensive billing requirement under which the SNF is responsible for billing Medicare for virtually all of the services that its residents receive.
- The BBA identified a list of services excluded from SNF CB as primarily those services that are provided by physicians and certain other types of medical practitioners and can be separately billed to Medicare Part B carriers directly by the outside entity that furnishes them to the SNF's residents.
- Prosthetic devices are included within the CB provision, since the BBA did not list prosthetic devices among the services identified for exclusion.
- Effective with services furnished on or after April 1, 2000, the Balanced Budget Refinement Act (BBRA) of 1999 provided for the exclusion of certain additional services from SNF CB.
- Special Edition MLN Matters article SE0431 lists these additional services and provides an overview of SNF CB. This article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0431.pdf> on the CMS website.
- For customized prosthetic devices, the exclusion applies only to those individual items that the legislation identifies by Healthcare Common Procedure Coding System (HCPCS) codes, while all other items within this category remain subject to CB.

- HCPCS codes by which the excluded services are identified appear in annual and quarterly CB updates. These CB updates can be found at http://www.cms.hhs.gov/SNFConsolidatedBilling/01_Overview.asp on the CMS website.
- The BBRA gives the Centers for Medicare & Medicaid Services (CMS) limited authority to identify additional prosthetic codes for exclusion.
- Congress elected to exclude from CB certain specific customized prosthetic devices that meet the criteria discussed above, regarding high cost and low probability, but declined to exclude other types of prosthetic devices and orthotics as a class.
- In contrast to prosthetics the following is true of orthotics:
 - Items in the orthotics category tend to be more standardized and lower in cost than prosthetics;
 - Customized items that fall at the high end of the orthotics category generally are still significantly less expensive and more commonly furnished in SNFs than customized items that fall at the high end of the prosthetics category; and
 - Where the needs of a patient with a missing limb can often be addressed only through the use of a single, particular type of customized device, it is often medically feasible to use a relatively inexpensive orthotic device in place of a more expensive one.
- Orthotics would not appear to meet the criteria of exceptionally high cost and low probability that served as the basis for the BBRA exclusions.
- If certain individual orthotic devices were identified as meeting these criteria, excluding them from the CB requirement could not be accomplished administratively, but would require further legislation by Congress to add this service category to the statutory exclusion list.
- CMS believes the SNF PPS appropriately places the financial responsibility for such devices and the decision-making authority for selecting among them with the SNF itself, because it may be possible to address a particular SNF resident's condition with equal efficacy by selecting among a broader range of orthotic devices.
- Additional detailed information on SNF CB is as follows:
 - MLN Matters Special Edition article SE0431, which contains a detailed overview of SNF CB and a list of the services excluded from SNF CB, can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0431.pdf> on the CMS website;
 - The CMS MLN Consolidated Billing Website can be found at <http://www.cms.hhs.gov/MLNProducts/> on the CMS website; and
 - The SNF PPS Consolidated Billing Website can be found at http://www.cms.hhs.gov/SNFPPS/05_ConsolidatedBilling.asp#TopOfPage on the CMS website.

Important Links

The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0437.pdf> on the CMS website.