



Related MLN Matters Article #: MM5532

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*Update to Medicare Benefit Policy Manual, (Publication 100-02), Chapter 8, Coverage of Extended Care Services Under Hospital Insurance*

### Key Words

MM5532, CR5532, R73BP, Benefit, Policy, Manual, Coverage

### Provider Types Affected

Skilled Nursing Facilities (SNFs) who bill Fiscal Intermediaries (FIs) or Part A/B Medicare Administrative Contractors (A/B MACs) for physical therapy, occupational therapy, or speech-language pathology services to Medicare beneficiaries

### Key Points

- The effective date of the instruction is July 30, 1999.
- The implementation date is October 1, 2007.
- Section 1861(h) of the Social Security Act defines certain services (including physical or occupational therapy or speech-language pathology services) that a SNF (or others under arrangements with the SNF) furnishes to its beneficiaries to be covered under the Extended Care Benefit.
- To be covered, the care provided to the SNF beneficiary must meet the requirements set forth in 42 Code of Federal Regulations 409 Subpart D.
- Change request (CR) 5532 re-emphasizes this requirement and clarifies *Medicare Benefit Policy Manual*, Chapter 8 (Coverage of Extended Care (SNF) Services Under Hospital Insurance), Section 30.4.1.1 (General).
- The clarification states that in order for services to be covered under the SNF benefit, the associated initial therapy evaluation of a beneficiary must take place in the SNF. This was previously announced in the SNF Prospective Payment System (PPS) final rule for FY 2000 (Federal Register 41662, July 30, 1999).
- This means that providers cannot use an evaluation that was performed, for instance, in the acute care or rehabilitation hospital settings as the therapy evaluation of the beneficiary in the SNF because the beneficiary's status must be evaluated as he or she presents in the SNF setting.

- The cost of an initial therapy evaluation in the SNF is included in the SNF PPS payment made for SNF covered services.
- The provider's FI or A/B MAC will deny claims for SNF services when:
  - The first three alpha characters of the Health Insurance PPS rate code are RHA, RHB, RHC, RHL, RHX, RLA, RLB, RLX, RMA, RMB, RMC, RML, RMX, RUA, RUB, RUC, RUL, RUX, RVA, RVB, RVC, RVL, or RVX; and
  - A review of the medical record finds that an initial evaluation for therapy services is dated **prior** to the first day of covered care upon admission and or readmission.
- The provider's FI or A/B MAC will not search their files for claims already processed, involving the provision of therapy services, to determine if an initial evaluation was provided following admission or readmission, except when a claim is brought to their attention.

### Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5532.pdf> on the CMS website.

Providers can find more information about SNF-related therapy evaluations by going to CR5532 located at <http://www.cms.hhs.gov/Transmittals/downloads/R73BP.pdf> on the CMS website. They will find revised *Medicare Benefit Policy Manual*, Chapter 8 as an attachment to the CR.

Providers with any questions may contact their FI or A/B MAC at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.