



Related MLN Matters Article #: MM5653

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### *Clarification of Skilled Nursing Facility (SNF) Billing Requirements for Beneficiaries Enrolled in Medicare Advantage (MA) Plans*

#### Key Words

MM5653, CR5653, R1290CP, SNF, Nursing, MA

#### Provider Types Affected

Skilled Nursing Facilities (SNFs) billing either a Part A/B Medicare Administrative Contractor (A/B MAC) or Fiscal Intermediary (FI) for SNF services provided to Medicare beneficiaries enrolled in a Medicare Advantage (MA) plan

#### Key Points

- The effective date of the instruction is January 1, 2008.
- The implementation date is January 7, 2008.
- Change Request (CR) 5653 incorporates SNF billing requirements for beneficiaries that are enrolled in MA plans into the *Medicare Claims Processing Manual*.
- SNF providers must submit bills for beneficiaries enrolled in MA plans and receiving skilled care in order to take benefit days from the beneficiary and/or update the beneficiary's spell of illness in the Medicare's Common Working File (CWF) System.
- Medicare is making system changes to allow hospital qualifying stay edits to be overridden by contractors.
- This change is necessary in case of a disaster, emergency-related situation, or some other circumstance indicated by the Centers for Medicare & Medicaid Services (CMS), which requires special processing of claims.

#### Key Points of CR5653

- If a Medicare beneficiary chooses an MA plan as their form of Medicare, the beneficiary cannot look to traditional "fee for service" Medicare to pay the claim if the MA plan denies coverage.

- SNF providers will apply the following policies to MA beneficiaries who are admitted to a SNF:
  - If the SNF is non-participating with the plan, the beneficiary must be notified of their status because they are private pay in this circumstance.
  - If the SNF is participating with the plan, providers are to pre-approve the SNF stay with the plan.
  - If the plan denies coverage, providers are to appeal to the plan, not to the “fee for service” FI or A/B MAC.
  - Providers are to count the number of days paid by the plan as Part A days used. (This counts as part of the beneficiary’s 100 days of Medicare SNF benefits.)
  - Providers are to submit a claim to the “fee for service” FI or A/B MAC to take benefit days from the CWF records. **The MA plans do not send claims to Medicare for SNF stays.** Failure to send a claim to the FI or A/B MAC will inaccurately show days available.
  - Providers are to submit the claim using bill type 18X or 21X and include a Health Insurance Prospective Payment System code (use default code AAA00 if no assessment was done), room and board charges, and condition code 04 (informational only bill).

**Note:** If the beneficiary drops their MA plan participation, beneficiaries have the balance of their 100 SNF days available to use under Medicare fee-for-service

## Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5653.pdf> on the CMS website.

The official instruction (CR5653) regarding this change may be viewed at

<http://www.cms.hhs.gov/Transmittals/downloads/R1290CP.pdf> on the CMS website.

If providers have questions regarding this issue, they may contact their Medicare 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.