

CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 568

Department of Health &
Human Services

Center for Medicare and &
Medicaid Services

Date: MAY 27, 2005

CHANGE REQUEST 3873

SUBJECT: July Quarterly Update to 2005 Annual Update of HCPCS Codes Used for Skilled Nursing Facility (SNF) Consolidated Billing (CB) Enforcement

I. SUMMARY OF CHANGES: This notification provides an update to the effective date of excluded HCPCS code L5781 for SNF CB.

NEW/REVISED MATERIAL :

EFFECTIVE DATE : July 1, 2005

IMPLEMENTATION DATE : July 5, 2005

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

III. FUNDING:

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2005 operating budgets.

IV. ATTACHMENTS:

Recurring Update Notification

**Unless otherwise specified, the effective date is the date of service.*

Attachment – Recurring Update Notification

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SUBJECT: July Quarterly Update to 2005 Annual Update of HCPCS Codes Used for Skilled Nursing Facility (SNF) Consolidated Billing (CB) Enforcement

I. GENERAL INFORMATION

A. Background: The CMS periodically updates the lists of HCPCS codes that are subject to the consolidated billing provision of the SNF Prospective Payment System (PPS). Services appearing on this list submitted on claims to both Medicare fiscal intermediaries (FIs) and carriers, including durable medical equipment regional carriers (DMERCs), will not be paid by Medicare to providers, other than a SNF, when **included** in SNF CB. For non-therapy services, SNF CB applies only when the services are furnished to a SNF resident during a covered Part A stay; however, SNF CB applies to physical and occupational therapies and speech-language pathology services whenever they are furnished to a SNF resident, regardless of whether Part A covers the stay. Services **excluded** from SNF PPS and CB may be paid to providers, other than SNFs, for beneficiaries, even when in a SNF stay. In order to assure proper payment in all settings, Medicare systems must edit for services provided to SNF beneficiaries both included and excluded from SNF CB. **This notification provides a correction to the effective date of excluded HCPCS L5781.**

For the annual notice on SNF CB each January, separate instructions are published for FI and carriers/DMERCs. The 2005 Annual Update for FIs can be found on the CMS Web site at www.cms.hhs.gov/manuals/, select the link for 2004 transmittals, and select transmittal R360CP dated November 5, 2004. Information on the 2005 annual update for carriers can be found at www.cms.hhs.gov/medlearn/snfcode.asp. **Quarterly updates now apply to both FIs and carriers/DMERCs.** An April 2005 Quarterly Update for FIs and carriers has been published subsequent to the 2005 annual update; it is available under the link for 2005 transmittals, then select transmittal R449CP dated January 24, 2005. This is the second joint FI/carrier/DMERCs quarterly update published subsequent to the 2005 Annual Update. Note that these updates affect claims with dates of service on or after the effective date of the instructions printed below unless otherwise indicated.

This notification provides one HCPCS correction under Major Category III. D. Customized Prosthetic Devices. HCPCS L5781 was previously excluded under the 2005 Annual Update to SNF CB with an incorrect effective date of January 1, 2005. The effective date for excluded HCPCS L5781 should be January 1, 2003.

Suppliers may now bill this code retroactively to January 1, 2003. There may be situations in which a SNF has already reimbursed a supplier for L5781. Providers and suppliers cannot collect money from a SNF and Medicare Part B twice for the same service, equipment, or device for the same date of service. Suppliers that now receive payment from Medicare Part B are expected in all cases to refund any money they received from the SNF for the same item. This procedure only applies to services that are excluded from consolidated billing.

B. Policy: Section 1888 of the Social Security Act codifies SNF PPS and CB. The new coding identified in each update describes the same services that are subject to SNF PPS payment by law. No additional services will be added by these routine updates; that is, new updates are required by changes to the coding system, not because the services subject to SNF CB are being redefined. Other regulatory changes beyond code list updates will be noted when and if they occur.

II. BUSINESS REQUIREMENTS

“Shall” denotes a mandatory requirement
“Should” denotes an optional requirement

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
F I S S	M C S					V M S	C W F			
3873.1	For FI processing, Medicare systems shall change the effective date of HCPCS L5781, located under Major Category III services, to January 1, 2003.								X	
3873.2	For DMERC processing, CWF shall change the effective date of HCPCS L5781, located in Category 75 services, to January 1, 2003.								X	
3873.3	For DMERC and FI claims processing, effective for claims with dates of service, when brought to their attention, on or after January 1, 2003 to December 31, 2004 shall reopen and reprocess claims with the code L5781 and override timely filing when necessary. DMERCs and FIs shall not perform mass adjustments, but only reopen claims brought to their attention.	X			X					

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers			
F I S S	M C S					V M S	C W F		

						F I S S	M C S	V M S	C W F	
3873.4	<p>A provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.</p>	X				X				

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: July 1, 2005 Implementation Date: July 5, 2005</p> <p>Pre-Implementation Contact(s): Jason Kerr, (410) 786-2123 or jason.kerr@cms.hhs.gov for FI billing; April Billingsley (410) 786-0140 or april.billingsley@cms.hhs.gov for carrier billing</p> <p>Post-Implementation Contact(s): Regional offices</p>	<p>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2005 operating budgets.</p>
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