

MLN Matters Number: MM3561

Related Change Request (CR) #: 3561

Related CR Release Date: January 14, 2005

Effective Date: July 1, 2001

Related CR Transmittal #: 429

Implementation Date: July 5, 2005

## **MMA - Change to the Common Working File (CWF) Skilled Nursing Facility (SNF) Consolidated Billing (CB) Edits for Critical Access Hospitals (CAHs) that Elect the Method II Payment Option and Bill Physician Services to their Fiscal Intermediaries (FIs)**

**Note:** This article was updated on February 16, 2013, to reflect current Web addresses. All other information remains unchanged.

### **Provider Types Affected**

Critical access hospitals (CAHs) billing Medicare fiscal intermediaries (FIs) for physician services under the Method II Payment option

### **Provider Action Needed**



#### **STOP – Impact to You**

If the Method II Payment option is used by the CAH, it can bill and be paid for physician services without being subject to SNF consolidated billing (SNF CB).



#### **CAUTION – What You Need to Know**

Outpatient claims containing professional services are billed by CAHs on an 85x Type of Bill (TOB) to the FI. Also, CAHs must use revenue codes 96x, 97x, or 98x to identify professional fees on the 85x TOB. Like professional services billed to the carrier, the specific line items containing revenue codes for professional services are excluded from the requirement for CB.



#### **GO – What You Need to Do**

As of July 5, 2005, use the new TOB with codes but see related instructions.

#### **Disclaimer**

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

## Background

---

Effective July 1, 2001, the Benefits Improvement and Protection Act (BIPA) established Payment Method II, in which CAHs can bill and be paid for physician services billed to their intermediary. Under the Method II option, a CAH:

- Would bill the professional services on an 85x type of bill (TOB) to their Medicare intermediary; and
- Must use revenue codes 96x, 97x or 98x to identify the professional fees on the 85x TOB,

(Like professional services billed to the carrier, the specific line items containing these revenue codes for professional services are excluded from the requirement for consolidated billing.)

**Note:** Claims for CAH inpatient and swing bed services are not affected since these revenue codes, if they appeared on these claim types, do not receive separate payment.

This instruction requires the CWF to bypass SNB CB edits for line items containing 96x, 97x, or 98x on an 85x TOB. This bypass will ensure that physicians' services billed to intermediaries by CAHs will not receive incorrect SNF CB edits. Section 1888 of the Social Security Act codifies SNF PPS and CB.

Since this change is effective for services provided on or after July 1, 2001, Medicare intermediaries will override the timely filing requirement for such claims and allow them to be processed.

## Additional Information

---

The *Medicare Claims Processing Manual* (Pub. 100-04), Chapter 6 (SNF Inpatient Part A Billing), Section 20 (Services Included in Part A PPS Payment Not Billable Separately by the SNF), has been revised. The revision is attached to the official instruction released to your intermediary. You may view that instruction at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R429CP.pdf> on the CMS website.

If you have any questions, please contact your Medicare intermediary at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.