



MLN Matters®



Information for Medicare Fee-For-Service Health Care Professionals

Related Change Request (CR) #: 3676

MLN Matters Number: MM3676

Related CR Release Date: February 4, 2005

Related CR Transmittal #: 459

Effective Date: April 1, 2005

Implementation Date: April 4, 2005

Full Replacement of Change Request 3427, Transmittal 342, Issued on October 29, 2004 - Change to the Common Working File (CWF) Skilled Nursing Facility (SNF) Consolidated Billing (CB) Edits for Ambulance Transports to or from a Diagnostic or Therapeutic Site

Note: This article was updated on March 28, 2013, to reflect current Web addresses. All other information remains unchanged.

Provider Types Affected

Providers and suppliers billing Medicare fiscal intermediaries (FIs) for ambulance transports of Medicare patients in a covered Part A SNF stay

Provider Action Needed



STOP – Impact to You

CR 3676 replaces CR 3427, which is rescinded. This change in the business requirement language of CR 3427 could impact your reimbursement.



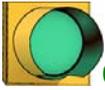
CAUTION – What You Need to Know

Related CR 3676 provides a correction to the business requirements in CR 3427 (Transmittal 342), which was issued on October 29, 2004. The language in the business requirements of CR 3427 incorrectly required the rejection of **claims** containing revenue code 054x, in addition to an origin/destination modifier of “ND” or “DN,” when the beneficiary is in a covered Part A SNF stay. CR 3676 revises this business requirement language to require the rejection of only **line items** that contain these codes and modifiers.

Be aware, however, that the manual section for CR 3427, Transmittal 342, is still in effect, and all other information in the CR remains the same.

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GO – What You Need to Do

Make sure that your billing staffs are aware of this correction in the business requirements in CR 3427, and prepare your bills accordingly. Additionally, you should review the background material in this article to refresh your knowledge about payment for ambulance services for beneficiaries in Part A SNF stays.

Background

CR 3427, Transmittal 342, issued on October 29, 2004, incorrectly stated the requirement to reject claims containing revenue code 054x, in addition to an origin/destination modifier of “ND” (SNF/Diagnostic site or therapeutic site other than P or H) or “DN” (Diagnostic or therapeutic site other than P or H/SNF) when the beneficiary is in a covered Part A SNF stay. The Centers for Medicare & Medicaid Services (CMS) is modifying that requirement to reject only line items (not claims) containing revenue code 054x, in addition to an origin/destination modifier of “ND” or “DN,” when the beneficiary is in a covered Part A SNF stay. All other information remains the same.

As further background, we would remind the reader that Section 4432(b) of the Balanced Budget Act (BBA) requires consolidated billing (CB) for SNFs. Under CB requirements, except for certain excluded services, the SNF must submit to the Medicare intermediary, under Part A, all Medicare claims for all the services its residents receive. Further, the SNF must submit, under inpatient Part B, Medicare claims for all physical and occupational therapies, and speech-language pathology services its residents receive. Finally, all Medicare-covered Part A services that are deemed to be within a SNF’s scope or capability are considered paid in the SNF PPS rate.

Except for specific exclusions, SNF CB includes those medically necessary ambulance trips that are furnished during the course of a covered Part A stay, including those to and from independent diagnostic testing facilities (IDTFs).

Specifically, ambulance transports to or from an IDTF are considered paid in the SNF PPS rate when the beneficiary is in a covered Part A stay and may **not** be paid separately as Part B services. The ambulance transport is included in the SNF PPS rate if the first or second character (origin or destination) of any HCPCS code ambulance modifier is “D” (Diagnostic or therapeutic site other than P or H), and the other modifier (origin or destination) is “N” (SNF). The “D” origin/destination modifier includes cancer treatment centers, wound care centers, radiation therapy centers, and all other diagnostic or therapeutic sites. In these instances, SNFs are responsible for the costs of the transport.

Note, however, that ambulance transports to and from renal dialysis facilities for the purpose of receiving dialysis are excluded from SNF CB. In these cases, the first or second character (origin or destination) of any HCPCS code ambulance modifier is a “G” (hospital-based ESRD facility) or “J” (freestanding ESRD facility), and the other modifier (origin or destination) is “N” (SNF). SNFs are not responsible for the costs of these transports.

Further, effective for claims with dates of service on or after October 1, 2004, CR 3196 included that new edits be installed in the Medicare’s systems to deny Part B ambulance claims that meet the above criteria when billed to the carrier by ambulance suppliers. Effective for claims with dates of service on or after April 1, 2005, the same edits apply to ambulance service line items billed to the FI by institutional providers.

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This change does not replace existing CB policies as they relate to Critical Access Hospitals and ESRD facilities.

Under this instruction, when Medicare denies a claim for services that are covered under SNF CB, your intermediary will reflect reason code 97, "Payment is included in the allowance for another service/procedure" on the remittance advice; and Remittance Advice Remark code N106, "Payment for services furnished to Skilled Nursing Facility (SNF) inpatients (except for excluded services) can only be made to the SNF. You must request payment from the SNF rather than the patient for this service."

Additional Information

Updated manual instructions are attached to the official instruction released to your intermediary. You may view that instruction by going to <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R459CP.pdf> on the CMS website.

If you have any questions, please contact your 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.

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