

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



MLN Matters® Number: MM9568 Revised Related Change Request (CR) #: CR 9568

Related CR Release Date: December 16, 2016 Effective Date: January 1, 2017

Related CR Transmittal #: R17630TN Implementation Date: January 3, 2017

Shared Savings Program (SSP) Accountable Care Organization (ACO) Qualifying Stay Edits

Note: This article was revised on December 16, 2016, due to a revised CR9568 issued on that date. As a result, the transmittal number, CR release date, and link to the CR are revised in this article. All other information remains the same.

Provider Types Affected

This MLN Matters® Article is intended for Hospitals and Skilled Nursing Facilities (SNFs) working with Accountable Care Organizations (ACOs) participating in the Medicare Shared Savings Program (SSP) and submitting claims to Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

Provider Action Needed

CR 9568 allows the processing of SNF claims without having to meet the 3-day hospital stay requirement for certain designated SNFs that have a relationship with an ACO participating in the SSP. Make sure that your SNF is clear on whether or not it is eligible to participate in this initiative and that your billing staffs are aware of these changes.

Background

The Medicare SNF benefit is for beneficiaries who require a short-term intensive stay in a SNF, requiring skilled nursing and/or rehabilitation care. Pursuant to Section 1861(i) of the Social Security Act (the Act), beneficiaries must have a prior inpatient hospital stay of no fewer than 3 consecutive days in order to be eligible for Medicare coverage of inpatient SNF care. This has become known as the SNF 3-day rule.

Disclaimer

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The Centers for Medicare & Medicaid Services (CMS) understands that, in certain circumstances, it could be medically appropriate for some patients to receive skilled nursing care and/or rehabilitation services provided in a SNF without prior hospitalization or with an inpatient hospital length of stay of less than 3 days.

Section 3022 of the Affordable Care Act amended Title XVIII of the Act by adding a new Section 1899 to establish the Medicare SSP. Under Section 1899(f), the Secretary of Health and Human Services is permitted to waive “such requirements of . . . title XVIII of this Act as may be necessary to carry out the provisions of this section.” As a result, CMS proposed and finalized through rulemaking (80 FR 32692 at <http://www.gpo.gov/fdsys/pkg/FR-2015-06-09/pdf/2015-14005.pdf>) a waiver of the prior 3-day inpatient hospitalization requirement in order to provide Medicare SNF coverage when certain beneficiaries assigned to SSP ACOs in Track 3 are admitted to designated SNF affiliates either directly from an inpatient hospital stay or after fewer than 3 inpatient hospital days, starting in January 2017. The waiver will be available for SSP ACOs in Track 3 that demonstrate the capacity and infrastructure to identify and manage patients who would be either directly admitted to a SNF or admitted to a SNF after an inpatient hospital stay of fewer than 3 days, for services otherwise covered under the Medicare SNF benefit.

To identify the beneficiaries eligible to receive the SNF 3-Day Waiver, CMS provides ACOs with a prospective beneficiary assignment list for the performance year. ACOs will receive the prospective assignment list close to the start of each performance year.

To identify the SNFs eligible to use the SNF 3-Day Waiver, ACOs designate SNFs (as SNF affiliates) eligible to participate in the SNF 3-Day Waiver with the ACO.

CMS will reimburse designated SNFs (specifically, SNF affiliates participating in Track 3 SSP ACOs), for the Medicare SNF benefit without the required 3-day in-patient hospitalization for beneficiaries that are prospectively assigned to the Track 3 ACO.

Additional Information

The official instruction, CR9568, issued to your MAC regarding this change, is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R1763OTN.pdf>.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/index.html> on the CMS website under - How Does It Work.

You can learn more about the SSP by visiting our website at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/index.html>. To learn more about the SNF 3-Day Waiver, visit the SSP webpage and click on Statutes/Regulations/Guidance.

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Document History

| Date of Change | Description |
|-------------------|---|
| December 16, 2016 | The article was revised on December 16, 2016, due to a revised CR9568 issued on that date. As a result, the transmittal number, CR release date, and link to the CR are revised in this article. |
| July 5, 2016 | The article was revised due to an updated Change Request (CR). That CR revised Shared System Maintainer (SSM) responsibility. The transmittal number, CR release date and link to the transmittal also changed. |
| May 11, 2016 | Initial article release |

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