

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-02 Medicare Benefit Policy</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 58</b>	<b>Date: NOVEMBER 9, 2006</b>
	<b>Change Request 5114</b>

**SUBJECT: Swing Bed Hospital Updates**

**I. SUMMARY OF CHANGES:** Chapter 8, Section 10.3 has been updated to incorporate statutory changes enacted to the swing bed program as a result of the Omnibus Budget Reconciliation Act of 1987 that are currently found in Section 2230 of the Provider Reimbursement Manual, originally published December of 1992.

**MANUALIZATION/CLARIFICATION – EFFECTIVE DATE\*:** N/A  
**IMPLEMENTATION DATE:** December 11, 2006

*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/revise information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual is not updated)  
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	Chapter / Section / Subsection / Title
R	8/10/10.3/Hospital Providers of Extended Care Services

**III. FUNDING:**

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2007 operating budgets.

**IV. ATTACHMENTS:**

**Business Requirements  
Manual Instruction**

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

# Attachment - Business Requirements

Pub. 100-02	Transmittal: 58	Date: November 9, 2006	Change Request 5114
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**SUBJECT: Swing Bed Hospital Updates**

## I. GENERAL INFORMATION

**A. Background:** Rural hospitals with less than 100 beds may be reimbursed under Medicare for furnishing post-hospital extended care services to Medicare beneficiaries. Such a hospital is known as a swing bed hospital.

**B. Policy:** When a hospital is providing extended care services, it will be treated as a SNF for purposes of applying coverage rules. This means that services provided in the swing bed are subject to the same Part A coverage, deductible, coinsurance and physician certification/recertification provisions that are applicable to SNF extended care services.

## II. BUSINESS REQUIREMENTS

*"Shall" denotes a mandatory requirement*

*"Should" denotes an optional requirement*

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		F	R	C	D	Shared System Maintainers				Other
						F	M	V	C	
I	H	I	E	I	C	M	W	S		
5114.1	Fiscal Intermediaries shall ensure that beneficiaries receiving swing bed services meet the coverage requirements for Part A SNF extended care services.	X								AB MAC
5114.2	Fiscal Intermediaries shall ensure that swing bed hospitals are charging the beneficiary the applicable deductible and coinsurance amounts due for receiving swing bed services.	X								AB MAC
5114.3	Fiscal Intermediaries shall ensure that physician certification and recertification requirements are met for beneficiaries receiving swing bed services.	X								AB MAC

**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				Other
						F I S S	M C S	V M S	C W F	
	None.									

**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><b>Effective Date*:</b> N/A</p> <p><b>Implementation Date:</b> December 11, 2006</p> <p><b>Pre-Implementation Contact(s):</b> Julie Stankivic (410) 786-5725</p> <p><b>Post-Implementation Contact(s):</b> Julie Stankivic (410) 786-5725</p>	<p><b>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.</b></p>
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### **10.3 - Hospital Providers of Extended Care Services**

*(Rev.58, Issued: 11-09-06, Effective: N/A, Implementation: 12-11-06)*

In order to address the shortage of rural SNF beds for Medicare patients, rural hospitals with fewer than **100** beds may be reimbursed under Medicare for furnishing post-hospital extended care services to Medicare beneficiaries. Such a hospital, known as a swing bed facility, can “swing” its beds between the hospital and SNF levels of care, on an as-needed basis, if it has obtained a swing bed approval from the Department of Health and Human Services. *See Chapter 1, “General Overview,” in the Medicare General Information, Eligibility, and Entitlement Manual for a description of general rules applicable to SNFs and hospital swing beds.*

When a hospital is providing extended care services, it will be treated as a SNF for purposes of applying coverage rules. This means that *services provided in the swing bed* are subject to the same Part A coverage, deductible, coinsurance and physician certification/recertification provisions that are applicable to SNF extended care services. *The SNF coverage provisions are set forth in 42 CFR 409 Subpart D and are more fully explained in this chapter. A patient in a swing bed cannot simultaneously receive coverage for both SNF-level services under Part A and inpatient hospital ancillary services under Part B.*

*Swing bed patients who no longer qualify for Part A coverage of SNF-level services under the Medicare program (due to exhaustion of Part A SNF benefits, dropping below a SNF level of care, etc.) revert to receipt of a hospital level of care in the swing bed (see the Medicare Benefit Policy Manual, Chapter 6, “Hospital Services Covered Under Part B,” §10). Thus, any further Medicare coverage in the swing bed would be for inpatient hospital ancillary services under Part B, notwithstanding a patient’s eligibility for Medicaid NF coverage.*

*A dually-eligible patient who continues to receive a SNF level of care or who has dropped below the SNF level may nonetheless still qualify for Medicaid coverage of nursing facility (NF) services, if the hospital has a Medicaid swing bed agreement that has been approved by the State in which the facility is located. Such agreements permit Medicaid-participating rural hospitals to use their beds interchangeably to furnish both acute hospital care and NF care to Medicaid recipients, when no beds are available in area nursing facilities.*