

**“Under Arrangement” Agreement Between SNF and Supplier
(Sample Agreement #1)**

Effective Date: **July 23, 2004**
Skilled Nursing Facility: **Bill Care Center**
Supplier of Services: **Donna’s Dynamic DME**

The Skilled Nursing Facility (SNF) as identified above wishes to obtain services under arrangement from the Supplier of Services in accordance with 42 C.F.R. §483.75 as follows:

The Skilled Nursing Facility will:

1. Provide to the Supplier of Services a written authorization for each resident when it wishes to obtain services under arrangement. Such authorization shall specify whether the Medicare beneficiary is in a Medicare Part A stay, and whether the ordered service is subject to the Medicare consolidated billing provisions.
2. Maintain professional responsibility in accordance with 42 C.F.R. §483.75(h) for all services provided to Medicare Part A residents of the SNF.
3. Bill the services to the Centers for Medicare and Medicaid Services (CMS) on form UB-92 as part of the skilled nursing facility consolidated billing bundled rate.
4. Pay the Supplier of Services within __ days for all services properly billed by the Supplier of Services when prior approval for services was obtained from the SNF.
5. Notify the Supplier of Services in writing within __ days regarding problems with any claim. The SNF will include an explanation of the problem (e.g., services not billed timely, services did not receive prior approval, resident not an inpatient, services not bundled back to the SNF).
6. Maintain a Business Associate Agreement as required by Health Insurance Portability and Accountability Act (HIPAA).¹
7. Permit supplier access to medical records of residents as needed.
8. Retain original treatment records and other resident care information on site and in resident records.

The Supplier of Services will:

1. Treat only in accord with prevailing standards of care by licensed professionals.
2. Provide to the SNF information for each resident including: diagnosis code, medical history, physician’s order, and progress notes.
3. Bill the SNF on either a UB-92 or CMS 1500 form using correct revenue codes and dates of services, and include a CPT or HCPCS code for each item billed.
4. Bill the SNF within __ months of the date of service. However, the __ month requirement is waived in any case where the SNF fails to correctly identify beneficiaries as being in a Part A stay and the Supplier of Services receives a

¹ Skilled nursing facilities should determine whether the circumstances warrant a business associate agreement as required under the Health Insurance Portability and Accountability Act (HIPAA). For more information on HIPAA, see <http://www.hhs.gov/ocr/hipaa>.

claims denial from CMS or a CMS recoupment letter requesting repayment for a service payable by the SNF under consolidated billing.

5. Bill the SNF only for the Technical Component of the service.
6. Bill the SNF [the negotiated payment arrangement (for instance, the Medicare applicable fee schedule)]. When no published fee schedule exists, bill the SNF at _____.
7. Accept as payment in full, payment under_____. The Supplier of Services will not bill the resident or his or her representative.
8. When the Supplier of Services is a physician, the Supplier of Services may occasionally need to order additional tests (routine laboratory tests, X-rays, etc.) in order to evaluate and treat a resident. When performed in the physician's office, the Supplier of Services may bill the SNF for these tests [without prior approval].
 - a. However, consolidated billing regulations apply to certain emergency care and high level diagnostic services such as Emergency room care; Cardiac catheterization; Computerized axial tomography (CT) scans; Magnetic resonance imaging (MRIs); Ambulatory surgery involving the use of an operating room (including PEG tube removal, replacement, and insertion); Radiation therapy; Angiography; and Lymphatic and venous procedures.
 - b. In cases where one or more of these services is needed immediately, the Supplier of Services may arrange for an immediate referral to a hospital outpatient department.
 - c. When such services need to be furnished in a setting other than an outpatient hospital, the Supplier of Services must coordinate the referral with the SNF. The Supplier of Services may not schedule such high level tests at a freestanding clinic or imaging center without written SNF approval. (In such cases where immediate treatment is required, written approval may be provided in a fax.)
 - d. When additional diagnostic tests are needed prior to a follow-up visit, the SNF will arrange for such services on behalf of the Supplier of Services or, at the SNF's option, may otherwise coordinate such tests with the Supplier of Services.
 - SNF Staff Contact _____
 - Phone Number _____

9. In addition, certain chemotherapy agents, radioisotopes and chemotherapy administration services are excluded from consolidated billing and may be billed directly to Medicare regardless of where the services were provided. However, other services furnished in conjunction with a chemotherapy or radioisotope treatment (except for the professional component) are subject to consolidated billing and must be billed to the SNF. A complete list of consolidated billing exclusions can be found at the Centers for Medicare & Medicaid Services (CMS) annual and quarterly updates of HCPCS codes used for SNF consolidated billing at www.cms.hhs.gov/providers/snfpps/snfpps_pubs.asp.

Skilled Nursing Facility _____ Date: _____

Supplier of Services _____ Date: _____