

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1290	Date: July 13, 2007
	Change Request 5653

SUBJECT: Clarification of Skilled Nursing Facility (SNF) Billing Requirements for Beneficiaries Enrolled in Medicare Advantage (MA) Plans

I. SUMMARY OF CHANGES: This instruction clarifies SNF provider billing requirements for beneficiaries enrolled in MA plans.

NEW / REVISED MATERIAL

EFFECTIVE DATE: *January 1, 2008

IMPLEMENTATION DATE: January 7, 2008

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/revised 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
N	6/90.2/Medicare Billing Requirements for Beneficiaries Enrolled in MA Plans

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2008 operating budgets.

IV. ATTACHMENTS:

**Business Requirements
Manual Instruction**

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

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B M A C	D M E M A C	F I	C A R R I E R	D M E R C	R H H I	Shared-System Maintainers				OTHER
								F I S S	M C S	V M S	C W F	
	type when a condition code 04 is present.											
5653.5	Medicare systems shall modify SNF prior hospital qualifying stay edits to allow contractors to manually override these edits regardless of the claim's dates of service.								X			

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B M A C	D M E M A C	F I	C A R R I E R	D M E R C	R H H I	Shared-System Maintainers				OTHER
								F I S S	M C S	V M S	C W F	
5653.6	<p>A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv.</p> <p>Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin.</p> <p>Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.</p>	X		X								

IV. SUPPORTING INFORMATION

A. For any recommendations and supporting information associated with listed requirements, use the box below:

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
N/A	

B. For all other recommendations and supporting information, use this space:

V. CONTACTS

Pre-Implementation Contact(s): Jason Kerr, Jason.Kerr@cms.hhs.gov or Wendy Tucker, Wendy.Tucker@cms.hhs.gov

Post-Implementation Contact(s): Appropriate Regional Office

VI. FUNDING

A. For Fiscal Intermediaries, Carriers, and the Durable Medical Equipment Regional Carrier (DMERC):
No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2008 operating budgets.

B. For Medicare Administrative Contractors (MAC):

The contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the Statement of Work (SOW). The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

Medicare Claims Processing Manual

Chapter 6 - SNF Inpatient Part A Billing

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(Rev. 1290, 07-13-07)

90.2 - Medicare Billing Requirements for Beneficiaries Enrolled in MA Plans

90.2 - Medicare Billing Requirements for Beneficiaries Enrolled in MA Plans

(Rev.1290, Issued: 07-13-07, Effective: 01-01-08, Implementation: 01-07-08)

If a beneficiary chooses an MA plan as his or her form of Medicare, he/she cannot look to traditional “fee for service” Medicare to pay the claim if the MA plan denies coverage.

SNF providers shall apply the following policies to MA beneficiaries who are admitted to a SNF:

- If the SNF is non-participating with the plan, the beneficiary must be notified of his or her status because he or she is a private pay patient in this circumstance;*
- If the SNF is participating with the plan, pre-approve the SNF stay with the plan;*
- If the plan denies coverage, appeal to the plan, not to the “fee for service” FI;*
- Count the number of days paid by the plan as Part A days used (this IS the beneficiary’s 100 days of Medicare SNF benefits);*
- Submit a claim to the “fee for service” intermediary to subtract benefit days from the CWF records. (Note: The plans do not send claims to CWF for SNF stays). Failure to send a claim to the FI will inaccurately show days available.*

Billing Requirements

– Submit covered claims and include a HIPPS code (use default code AAA00 if no assessment was done), room and board charges and condition code 04.

Note: *If the beneficiary drops his or her MA plan participation during their SNF stay, the beneficiary is entitled to coverage under Medicare FFS for the number of days available that remain out of the 100 days available under the SNF benefit.*