Practical Tips

Skilled Nursing Facility Consolidated Billing

ASCO coding and reimbursement staff members field many questions about services for skilled nursing facility (SNF) residents as well as Medicare's SNF consolidated billing.

What does SNF consolidated billing mean?

Medicare developed a prospective payment system specific to SNFs. In connection with adoption of this payment system, Medicare adopted rules commonly referred to as SNF consolidated billing. The consolidated billing requirement was set forth in statutory language and designed to eliminate duplicate billings for services rendered to SNF patients by multiple providers. Under consolidated billing, the SNF is generally the only entity that can bill Medicare for the services rendered to its residents.

When did consolidated billing become effective?

Medicare implemented SNF consolidated billing in 1998. SNFs were required to use the payment system for their first cost-reporting period that began on or after July 1998.

When are services covered under consolidated billing?

When a beneficiary is in a Medicare Part A-approved SNF stay, the services are considered covered under consolidated billing. In other words, services provided to a beneficiary whose nursing home stay is being covered by Medicare would be covered under consolidated billing.

Can you explain what excluded services mean?

When a service is identified under SNF consolidated billing, it has to be billed by the SNF itself. When a service is excluded from consolidated billing, it means that the service can be billed to Medicare by the physician who performed the service. Excluded services are considered to be separately billable by physicians or other providers.

What services are covered under consolidated billing?

Consolidated billing covers the entire package of care that a resident would receive during a covered Medicare Part A stay. However, some categories of services have been excluded from consolidated billing because they are costly or require specialization. The following categories of services have been excluded from consolidated billing:

- Physician's professional services;
- Certain dialysis-related services, including covered ambulance transportation to obtain the dialysis services;
- Certain ambulance services, including transporting the beneficiary to the SNF initially, transporting from the SNF at the end of the stay (other than when involving transfer to another SNF), and transporting round-trip during the stay temporarily offsite to receive dialysis or certain types of intensive or emergency outpatient hospital services;
- Erythropoietin for certain dialysis patients;

- Certain chemotherapy drugs;
- Certain chemotherapy administration services;
- Radioisotope services; and
- Customized prosthetic devices.

Are all chemotherapy-related services considered excluded?

No. As mentioned previously, certain chemotherapy drugs and administration services are excluded. The Centers for Medicare & Medicaid Services (CMS) excludes only those drugs and administration services specifically identified in legislation. All other related drugs and services remain part of consolidated billing and would be billed by the SNF. Providers should check the annual consolidated billing updates on CMS' Web site to verify what drugs and services can be billed separately. (The CMS Web site is www.cms.hhs.gov/SNFConsolidatedBilling/01_Overview.asp.)

How do we know if a patient is in a Medicare Part A-approved SNF stay or not?

One way to verify whether or not a patient is in an approved Medicare Part A SNF stay is to confirm with Medicare. (The SNF Web site is www.cms.hhs.gov/center/snf.asp.) Staff also can check with the patient and/or family member for information.

How do we bill and get reimbursed for services that were provided to a patient in a covered Part A SNF stay that are not considered excluded from consolidated billing?

If the services provided are not excluded, the physician cannot bill Medicare directly. The provider must seek payment for the services from the SNF itself and not the Medicare carrier, fiscal intermediary, or beneficiary.

Do private insurers use the consolidated billing system for residents in skilled nursing facilities?

The SNF consolidated billing system is specific to Medicare. You should verify how your private payers will reimburse for services provided to patients who are residents of an SNF.

Where can I find more information on SNF consolidated billing?

More information on SNF consolidated billing can be obtained by calling the local Medicare carrier or fiscal intermediary. The CMS also provides an abundant amount of information online at www.cms.hhs.gov/SNFPPS/05_ConsolidatedBilling.asp. ASCO reimbursement staff can help answer your oncology billing, coding, and practice management questions. Either call (703) 299-1054 or e-mail inquiries to practice@asco.org.

DOI: 10.1200/JOP.0722502