

Dermatology Coding Alert

Reader Question: Work This Plan for SNF Office Payments

Question: One of our dermatologists is treating a skilled nursing facility (SNF) patient in the office. We are receiving payment from Medicare HMOs for our visits. Is it appropriate to change the place of service (POS) code to the skilled nursing facility even though services were not provided at that location?

Florida Subscriber

Answer: You shouldn't change the POS to "nursing home" for the office visits. However, it is likely that your payments are being made directly to the SNF under the consolidated billing rules.

How it works: Under consolidated billing, an SNF receives a basic per diem rate per level of care for each resident, which covers all costs (routine, ancillary, and capital) related to the services furnished to beneficiaries. The bundled services are billed by the SNF to the Part A MAC in a consolidated bill.

"The outside supplier must look to the SNF (rather than to Medicare Part B) for payment," according to CMS' 2015 Consolidated Billing guidelines. In the situation quoted above, your surgeon is the "outside supplier."

To properly bill and collect for services provided to SNF patients, you should contact the facility on the day of the patient's appointment to confirm whether the patient is in a Part A or Part B stay. If he is not covered by Part A, you may bill your Part B carrier for all the services you provide.

In order to be paid for the expenses that your physician incurs while treating SNF patients, you should create a contract with the SNF. "The SNF can effect an 'arrangement' through any means that specifies the arranged-for services for which the SNF assumes responsibility, and the manner in which the SNF will pay the supplier for those services," CMS says in its Consolidated Billing Best Practices fact sheet.

It is in your practice's best interest to meet face-to-face with local SNF administrators to review technical charges and establish a direct contract or agreement for payment of the technical services as part of the consolidated reimbursement.

The contract should also list your billing information and include a disclaimer stating that you expect payment for services rendered regardless of the nursing facility's reimbursement status with the Medicare carrier. Provide an executed copy of the contract to the facility, and keep one for your records.