

Dermatology Coding Alert

YOU BE THE CODER ~ Kiss Your Payments Goodbye if You Ignore SNF Patient Status

Question: We often have to treat patients in skilled nursing facilities and end up sacrificing part of our fees after completing a service. How can I ensure that I'm following consolidated billing guidelines and that I'm going to get paid for my claims?

Answer: A patient's skilled nursing facility (SNF) status determines how you should be billing for your physician's services, and if you're not following consolidated billing rules you'll continue to sacrifice part of your fees.

The problem: Billing is complicated for patients in SNF care, but not all nursing facilities are SNFs, says **Carol Pohlig, BSN, RN, CPC, ASC**, senior coding and education specialist at the University of Pennsylvania department of medicine in Philadelphia. An SNF may not even be an entire facility -- some facilities have SNF beds and non-SNF beds

"Even more difficult is what visits physicians can report for the SNF patients," Pohlig adds.

First step: Call the facility to confirm that the patient is in SNF care. If he is not, you may bill your Part B carrier for all the services you provide. But if he is an SNF patient, you are about to enter the world of consolidated billing.

Because Medicare Part A typically covers SNF patients and consolidated billing rules apply, you can only report certain services to Medicare. Whether the physician visits the SNF or the SNF patient visits your office, if the patient is in a covered Part A stay, the SNF rules apply and the facility is liable for the payment.

Exceptions: Medicare has made things a little more complex by excluding physicians' services and the professional components of certain diagnostic services from the consolidated billing requirement. Medicare sees these as outside the SNF bundle, and says "they remain separately billable to Part B when furnished to an SNF resident by an outside supplier."

Leave the Professional Portion to Medicare

CMS regulations state that for services with both a technical and a professional component, you should report only the professional component to Medicare, Pohlig says.

You should report the professional component to Medicare and then submit a claim to the SNF for the technical component. And for many of the medications your physician might administer, Medicare Part B will not reimburse you in the usual manner. Instead, you must submit a claim to, and seek payment from, the SNF itself.

Example: A urologist sees a patient with bladder cancer and administers a Bacille Calmette-Guerin (BCG) instillation. You're unaware that the patient is an SNF resident, so you report 51720 (Bladder instillation of anticarcinogenic agent [including retention time]) for the drug instillation and J9031 (BCG live [intravesical], per instillation) for the drug itself to the patient's Medicare Part B carrier.

If the patient is an SNF resident, covered by Medicare Part A, the carrier will likely deny part of your claim. Medicare Part A will not reimburse your office for the drug, and your urologist will be out \$113.57. For an SNF patient in this scenario, you should report the instillation (51720) to the Medicare Part B carrier, and the cost of the medication (J9031) to the SNF.

Note: Don't be surprised if the nursing facility requires a contract due to Medicare Part A requirements. To receive

payment for the technical aspects of services your physician performs on SNF patients, you may need to have a set contract with the SNF.

Good news: There are some exclusions to these billing rules that have been outlined by CMS, Pohlig says. "Any services that appear on the exclusion list can be reported to Medicare Part B directly, even if it has a technical component to it."

Conquer Non-Payment With 4 Steps

Consolidated billing denies your billing office direct control over the quality of billing and reimbursement.

Consequently, SNFs with less-than-optimal billing operations can come up short of money and try to deny you payment. It's not fair or legal for an SNF to tell providers they'll only be paid when and if the SNF receives adequate payment.

Follow these expert suggestions to make consolidated billing as painless as possible:

- **Take a one-page contract with you on SNF visits.** The contract should list your billing information and include a disclaimer stating that you expect payment for services rendered regardless of the SNF's reimbursement status with the Medicare carrier.
- **Charge SNFs only for the reimbursement you could expect according to the Medicare Physician Fee Schedule.** You can't tack on fees to account for driving time or gas costs related to SNF visits, even if you think you deserve pay for this.
- **Try using a contract and talking first to resolve any persistent payment problems with an SNF.** As a last resort, however, you can report your problems to the local or regional overseer of nursing homes and SNFs and request an investigation into their billing operations.
- **Consult the CMS Web site or call your Medicare carrier to resolve questions** about what services are included and excluded under consolidated billing. Medicare may even be able to send a trainer to your office to advise you on consolidated billing issues.

Bonus: For more information on consolidated billing, visit www.cms.hhs.gov/providers/snfpps/cb/.