

## Optometry Coding & Billing Alert

### Consolidated Billing: Follow 3 Tips to Ensure You Properly Bill Services for Nursing Facility Patients

**Don't wait to check the patient's status until you are ready to file a claim.**

Whether your provider sees one patient per year from a nursing facility, or he sees several each week, if you don't understand the complicated world of consolidated billing your practice will lose money.

Because a patient's nursing facility (NF) status — whether he is in a Part A-covered stay or a Part B-covered stay — determines how you should be billing for your physician's services, if you don't know the consolidated billing rules you'll continue to sacrifice part of your fees. Follow these four steps to ensure you don't waste time chasing every dollar.

#### 1. Study What Consolidated Billing Means

Before you can start billing for services your physician performs for nursing facility patients, you need to figure out what consolidated billing really is and why it matters to your billing process.

**How it works:** Under Medicare's consolidated billing payment rules, the payer reimburses nursing facilities in a lump sum payment for all facility services the patient may need during the course of a Part A nursing facility stay. That means that you can only report certain services to Medicare, says **Catherine Brink, BS, CMM, CPC, CMSCS**, president of NJ-based Healthcare Resource Management.

When patient visits your office, if the patient is in a covered Part A stay, the facility is liable for the payment for the technical component services. These services include medications, lab work, x-rays (the technical portion, not the interpretation), the technical portion of EKGs, billable supplies, DME dispensed from office, etc.

**What it means to you:** If the patient is currently in the nursing facility covered under a Medicare Part A stay, your physician can only bill Medicare for his professional services. You must then bill the nursing facility for any technical or "facility" services he performs during the office visit. This includes supplies as well.

#### 2. Confirm Patient Status

To properly bill and collect for nursing facility patient services you should contact the facility 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.

Experts suggest that practices to contact the nursing facility on the day of the appointment to confirm whether the patient is in a Part A or Part B stay rather than wait until the biller starts the claims process. Practices "should be proactive and contact the nursing facility before the patient is seen," Brink stresses.

For example, "to help prevent denials and overpayments, the Novitas Medicare SNF Specialty Guide recommends: 'During the patient screening process, ask whether the patient is a resident of a nursing home. If yes, contact the nursing home and ask if the patient is in a covered Part A stay,'" advises **Sarah L. Goodman, MBA, CHCAF, CPCH, CCP, FCS**, president/CEO of SLG Inc. Consulting in Raleigh, N.C.

**Warning:** There is no way to guess if a patient is in a Part A or Part B stay. Whether a patient is in a Part A or Part B stay can even vary from one day to the next, so be sure you confirm the status with the facility.

### 3. Set Up a Contract

To receive payment for the expenses you incurred for the technical aspects of services your physician performs, you may need to have a set contract with the facility, Goodman says. Setting up a contract with every nursing facility you work with can help you avoid consolidated billing and collection headaches down the road.

"If the nursing home has a contract with another entity to provide the technical component or if the physician does not have a business relationship with the nursing home, the physician will not receive payment for the service(s)," Goodman says. "The patient is not liable, and the physician should not attempt to file a claim for the technical component to Medicare Part B."

You'll want to make the contract specific and identify the services, using CPT® and HCPCS codes, your physicians can provide to the facility's patients as well as the negotiated fees for those procedures and services. "This ensures provider receives appropriate reimbursement since it is spelled out in the contract," Brink says.

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.

**Protect yourself:** Have an attorney review any agreement or contract you plan to use before you obtain the signatures to ensure the contract is in fact legal and binding. Make sure that attorney is competent in Stark law compliance. While you can start with a sample contract, you should consult an attorney before presenting it to the nursing facility.

**Don't miss:** What if your practice doesn't deal often or ever with nursing facility patients? You should still have a contract just in case. You never know when one of your patients will be admitted for a Part A stay, and unless the facility has a doctor on staff for temporary transfer of care, your provider will be obligated to go and care for the patient.