

Part B Insider (Multispecialty) Coding Alert

CONSOLIDATED BILLING: Don't Bill Medicare First For Part A SNF Patients

A 20-page contract isn't necessary for SNF referrals

Physicians can't afford to provide anything other than evaluation and management services to patients in skilled nursing facilities, the Practicing Physicians Advisory Council told an official from the **Centers for Medicare & Medicaid Services** in a May 17 meeting.

"I'm very concerned about some of the comments that [you] may not be able to treat these patients," the official said. The official told PPAC that the agency is limited by law in terms of the services it can allow physicians to bill separately for patients in a SNF.

For patients in a Part A covered SNF stay, CMS will pay physicians separately for professional services, but everything else is included in the payments the SNF receives. Those payments are adjusted by the seriousness of the patient's problem, and include an allowance for technical services that a physician may provide.

PPAC voted in favor of several resolutions calling on CMS to address problems with SNF consolidated billing. One resolution called for CMS to educate SNFs that they'll be responsible for all associated expenses when they refer patients to a physician, unless those expenses are excluded from consolidated billing or the patient signs an advanced beneficiary notice.

PPAC also said that CMS should seek legislative fixes to the list of codes excluded for consolidated billing. And it recommended CMS look at using internal methodologies, such as its provider agreements with SNFs, to evaluate and improve the coverage for services that aren't currently adequately covered, such as technical fees for services and for incident to medication.

Some SNFs have required physicians to bill Medicare and obtain a denial before they bill the SNF, but this isn't a Medicare requirement. "We spend a great deal of time providing a list of services that are separately billable," and everything else should be billed to the SNF, the CMS official noted. PPAC passed a resolution that CMS should make it clear to SNFs that a Part B denial from Medicare is not required for physicians seeking payment from the SNF for bundled services.

Some providers wonder if they should obtain written contracts with SNFs clarifying what the SNF will pay the physician for. A brief contract may be in order for a SNF that refers to you regularly, but "we are not recommending 40 page contracts," said the CMS official. "You don't need to give the entire legal industry a 20 percent raise this year." But it is important for physicians to have some way of knowing which patients are in a Part A covered stay, and an agreement should spell that out. "We always put some sample agreements on the web site so you can use those," said the CMS official.

For specialty physicians, who are less likely to have a written agreement with the SNF, CMS has encouraged them to send a note with the patient clarifying the patient's status. The CMS official suggested physicians might adapt protocols used by managed care plans to alert SNFs that they'll be receiving a bill. But using any sort of managed care approach met with limited enthusiasm from PPAC.

"We have already sent reports through our Office of Legislation to congressional staffs pointing out some problems with consolidated billing," said the CMS official. "We did not get a positive response in the last congress," and apparently

Congress is worried about opening the floodgates to increase Medicare post-acute spending.

The official also noted that physicians should resist the temptation to readmit SNF patients to a teaching hospital to obtain coverage of technical costs, because that will look to CMS like a premature hospital readmission.