MDS Alert

Consolidated Billing: Don't Let Confusion Over PPS Carve-Outs Cut Your Facility's Profit Margins And Patient-Care Coffers

Help your SNF know when it doesn't need to reach into its PPS pocket.

Attention, MDS coordinators: When it comes to consolidated billing, do you sometimes feel like the buck stops with you in terms of knowing who should pay for what?

Actually, consolidated billing compliance requires a consolidated effort by all departments -- and it's become a hot compliance topic in the wake of a scathing new HHS **Office of Inspector General** report on the issue (see "Special Supplement: Fall Management Case Study"). But in their role as care managers, MDS nurses are in a pivotal position to help ensure the SNF doesn't lose out on PPS exclusions - or pay for services that aren't included in the Part ASNF benefit.

Asking the right questions before Part A-stay residents receive outside services will prevent your SNF from getting hit with bills that drain the patient-care coffers -- a bit at a time -- or in one fell swoop with an enormous bill for a service everyone assumed was excluded from PPS.

For example, one facility received a staggeringly high bill for a cochlear device that SNF staff initially "just knew" had to be a mis-consultant with **BKD Inc.** in Springfield, MO. "These charges can range from $10, 000 to $15,000 for the device," she cautions.

In other cases, Part A-stay SNF residents have received MRIs in physician-office or freestanding imaging centers, which are only excluded from consolidated billing when done in a hospital outpatient setting. "And the bill for these can be huge," Zacny cautions.

"There's a lot of confusion among SNFs regarding CT scans and MRIs because there are more freestanding imaging centers now, and these two services are only excluded from CB when provided in an outpatient hospital setting," says **Ron Orth**, director of clinical reimbursement for **Extendicare Health Services** in Milwaukee. The same holds true for radiation therapy (see What Do You Think?).

Use the SNF Help File

Facilities can minimize their liability under consolidated billing by using the SNF help file to check each HCPCS code to see if it's excluded from consolidated billing, and the site of service for some excluded items, such as MRIs and CAT scans, Orth instructs.

To see whether a service or item is included in your Part A rate (and subject to consolidated billing), look up the HCPCS code in the most current file (www.cms.hhs.gov/manuals/pm_trans/R189CP.pdf). But make sure you're reading the SNF help file correctly. In Orth's experience, providers will sometimes read the codes pertaining to Part A on the left and then the comments that pertain to Part B on the right side of the file, and confuse the two. **Example**: The injectable drug Lupron is included in the Part A SNF rate. But under Part B, SNFs can bill under arrangement for the drug for a resident who is not in a Part A stay; or the Part B resident could go to the physician and receive the Lupron, and the physician could bill it to Medicare.

Check Each Bill

The SNF should verify that it really should pay each bill from an outside provider for a Part A-stay resident. For one, the SNF should not pay for services that the Medicare benefit doesn't include. And if the service is indeed bundled into the

Part A rate, make sure the resident was actually in a Part A-covered stay when it was rendered.

Don't go this far: The **Centers for Medicare & Medicaid Services** recently clarified during a SNF Open Door Forum that suppliers/providers aren't required to produce a denial from Medicare, however, before SNFs pay their bills.

Test yourself: Are dentures or eyeglasses bundled into the Part A SNF patients'package of services?

The answer is no. Yet some facilities report paying for these items provided to Part A-stay residents. "Consolidated billing can't possibly apply to services never billable to Medicare Part B before PPS," Orth emphasizes. And that includes dental care and dentures, routine vision exams and glasses and nonambulance transportation.

In fact, CMS clarified during its May SNF Open Door Forum that non-ambulance transportation (medivans, wheelchair vans, etc.) is not part of the Part ASNF benefit. "Part A covers ambulance transportation only when it's medically necessary such that any other type of transport would be medically contraindicated," said **Bill Ullman**, a CMS expert on consolidated billing speaking at the ODF.

"As long as the patient gets proper notice that the service isn't covered ... the facility is free to charge the resident," Ullman related. In such a case, the facility would provide the resident or responsible party a Notice of Exclusion from Medicare Benefits, which is more than just a courtesy, according to Ullman.

As a condition of participation, the facility is required to notify the resident on admission and periodically about any services that aren't covered in the Medicare per diem, he noted.

Beware: Your SNF may be getting bills from suppliers for prosthetics that are actually excluded from your Part APPS rate.

How so? As of April 1, suppliers cannot get paid for two custom-made lower extremity prosthetic items (L5673 and L5679) that were inadvertently omitted from the April 2004 quarterly update edits for SNF consolidated billing. If that happens, refer the supplier to Transmittal 191 at www.cms.hhs.gov/manuals/pm_trans/R191CP.pdf.

Give Outside Providers/Suppliers a Heads Up

To avoid unexpected bills -- and expensive duplication of services -- track Part ASNF-stay residents'outpa-tient trips and send a notice to providers alerting them to the patient's inpatient status and consolidated billing requirements, suggests Zacny.

"The notice should also include the name of a contact person at the SNF in case the physician requires tests or procedures to be conducted," she suggests. That way you can better coordinate care -- for example, the patient may have just had the lab or radiological test that the physician wants to run.

Consider amending your transfer agreements with hospitals to take into account consolidated billing, such as communication and notice issues (letting the hospital know the resident is on a Part A stay), suggests **Marie Infante**, an attorney in Washington.