

MDS Alert

MDS & BILLING NEWS TO USE

The compliance handwriting is on the wall when it comes to Part A consolidated billing in SNFs. Medicare paid for the same service twice -- under the SNF Part A benefit and also Part B -- to the tune of \$108.3 million in 1999 and 2000, according to a new HHS **Office of Inspector General** report, "Review of Improper Payments Made by Medicare Part B for Services Covered Under the Part A Skilled Nursing Facility Prospective Payment System in Calendar Years 1999 and 2000."

The OIG blames lack of controls at SNFs or suppliers to prevent the improper payments. Since the years targeted by the audit, the **Centers for Medicare & Medicaid Services** has established claims processing edits to detect and deny improperly billed Part B services for Part ASNF residents.

To correct the overpayment problem, the OIG recommends CMS take a number of steps, as follows:

1. recover improper payments identified by the audit;
2. instruct its contractors to encourage SNFs and suppliers to establish and/or enhance existing billing controls;
3. identify "best practices" for communicating that SNF residents are in Part APPS stays and subject to the consolidated billing provision;
4. delineate the SNFs' responsibility to communicate information regarding residents in Part APPS stays subject to the consolidated billing provision. (In responding to the OIG findings, CMS said it believes it doesn't have the authority to mandate the information SNFs must provide to their suppliers. The OIG conceded that CMS may lack this authority.)
5. develop data analysis techniques to identify SNFs and suppliers that repeatedly don't comply with consolidated billing.

Compliance tip: Make sure your SNF has written agreements in place with any outside providers or suppliers that deliver services "under arrangement" subject to consolidated billing.

The written agreement should spell out the payment arrangements and indicate that the SNF, rather than Medicare, will pay the supplier or provider. CMS recently spelled out the requirements for providing services under arrangement in Transmittal 183. (See the consolidated billing story in this issue.)

Read the report OIG at www.oig.hhs.gov/oas/reports/region1/10200513.htm. The CMS transmittal is at www.cms.hhs.gov/manuals/pm_trans/R183CP.pdf.

A definitive diagnosis of the cause of dementia may be elusive in some cases, but Medicare coverage of PET scans for some people with this condition shouldn't be in the near future. After a new review of the scientific literature, the **Centers for Medicare & Medicaid Services** recently announced that Medicare intends to cover positron emission tomography (PET) scans to diagnose people with suspected AD when a specific diagnosis remains uncertain despite a thorough clinical evaluation. The draft coverage decision memorandum appears on the CMS web site (www.cms.hhs.gov/coverage).