



Related MLN Matters Article #: SE0435

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## *Skilled Nursing Facility Consolidated Billing as It Relates to Dialysis Coverage*

### *Keywords*

SE0435, ESRD, Skilled, Nursing, Consolidated, Billing, Dialysis, PPS, Prospective, Payment, System

### *Provider Types Affected*

Skilled Nursing Facilities (SNFs), physicians, end-stage renal disease (ESRD) facilities, and hospitals

### *Key Points*

- MLN Matters Special Edition article SE0435 is an informational article that describes SNF Consolidated Billing (CB) as it applies to dialysis coverage for SNF residents.
- The SNF CB requirement makes the SNF itself responsible for including on the Part A bill that it submits to its Medicare intermediary almost all of the services that a resident receives during the course of a Medicare-covered stay, except for a small number of services that are specifically excluded from this provision.
- These excluded services can be separately furnished to the resident and billed under Medicare Part B by a variety of outside sources.
- These outside sources can include other providers of services, such as hospitals, which would submit the bill for Part B services to their Medicare intermediary, as well as practitioners and suppliers who would generally submit their bills to a Medicare Part B carrier.
- Dialysis furnished to an SNF resident during a covered Part A stay falls within the scope of the SNF benefit under the Social Security Act, Section 1861(h)(7), as long as the SNF elects to provide the dialysis itself, either directly or under an "arrangement" with a qualified outside supplier in which the SNF itself assumes the Medicare billing responsibility.
- When covered in this manner, the dialysis would be included in the global Medicare Part A per diem payment that the SNF receives under the Prospective Payment System (PPS).
- SNF PPS legislation also gives SNFs the option of "unbundling" the dialysis, thereby, allowing an outside supplier to furnish the dialysis services and submit a bill directly to its Medicare Part B carrier.

- If the SNF elects this option, dialysis services that meet the requirements for separate coverage under the Part B dialysis benefit (as described in the Social Security Act, Section 1861(s)(2)(F)) are excluded from SNF CB.
- Effective April 1, 2000, the Balanced Budget Refinement Act of 1999 (BBRA 1999, Section 103) excluded those ambulance services that are necessary to transport a SNF resident offsite to receive the Part B dialysis services (Social Security Act, Section 1888(e)(2)(A)(iii)(I)) from SNF CB.
- The Social Security Act (Section 1833(d)) expressly prohibits payment under Part B for any service that is covered under Part A; therefore, such services would not be excluded from SNF CB, since they would no longer meet the statutory criteria (Section 1888(e)(2)(A)(ii)) of being items and services that meet the requirements for coverage under the separate Part B dialysis benefit of the Social Security Act (Section 1861(s)(2)(F)).

### *Important Links*

The related MLN Matters articles can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0435.pdf> and  
<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0431.pdf> on the CMS website.

The Consolidated Billing website may be found at

<http://www.cms.hhs.gov/SNFConsolidatedBilling/> on the CMS website.

The SNF PPS Consolidated Billing website can be found at

[http://www.cms.hhs.gov/SNFPSPS/05\\_ConsolidatedBilling.asp](http://www.cms.hhs.gov/SNFPSPS/05_ConsolidatedBilling.asp) on the CMS website.