

**“Under Arrangement” Agreement Between SNF and Supplier  
(Sample Agreement #2)**

\_\_\_\_\_ (resident’s name) is a Medicare beneficiary who is a resident of \_\_\_\_\_ (name of SNF). Since Medicare Part A is covering this resident’s SNF stay, most of the services that he or she receives are subject to the consolidated billing requirement. Under this requirement, the SNF must include these services on its Part A bill for the resident’s Medicare-covered stay, and they are included within the comprehensive per diem that Part A pays the SNF for the covered stay. This means that when an outside Supplier furnishes such a service to the SNF’s resident, that entity must obtain payment for the service from the SNF, rather than from Medicare Part B. This document represents an agreement between (SNF) and \_\_\_\_\_ (Supplier) for the provision of services to \_\_\_\_\_ (beneficiary).

**I. SUPPLIER RESPONSIBILITIES**

A. Services. Under the Consolidated Billing provisions of the SNF Prospective Payment System (PPS), there may be specific services provided by the Supplier to inpatients of the SNF, covered under Medicare Part A at the time the services are provided, that are the financial responsibility of the SNF. These services include, but are not limited to:

1. Administration of tests or services ordered by the Physician – technical component of the procedure and not listed as an exclusion in Centers for Medicare and Medicaid Services (CMS) annual and quarterly updates of HCPCS codes used for skilled nursing facility consolidated billing enforcement at [www.cms.hhs.gov/providers/snfpps/snfpps\\_pubs.asp](http://www.cms.hhs.gov/providers/snfpps/snfpps_pubs.asp);

2. Durable medical equipment;

3. Non-emergency procedures not requiring an emergency room;

4. Orthotics; or

5. \_\_\_\_\_

B. The Supplier also agrees to provide to the SNF all clinical information related to the service, including but not limited to:

1. The date the test or service was performed.

2. The physician ordering the service.

3. The clinical results of the test or service and any follow-up services required.

C. In rendering services to the SNF, the Supplier shall also:

1. Consult with SNF administration on program development and any administrative matters pertaining to the functioning of residents receiving such services;
2. Comply with all applicable federal, state, and local rules, regulations, and standards as set forth by any agency(ies) regulating the provision of such services;
3. Participate in the SNF's committees as requested; and
4. Assist in the development and refinement of policies and procedures for providing such services.

D. Statement of Qualifications. During the term of this Agreement, the Supplier shall maintain in good standing as appropriate:

1. A copy of a valid license or certification to provide such services in the State of \_\_\_\_\_.
2. Appropriate board certification of preparedness or eligibility for board certification.
3. The prescribed for continuing education required for maintaining a license or certification to provide such services.
4. A statement certifying that the Supplier:
  - a. is not under suspension or subject to any disciplinary proceedings by the department or agency having jurisdiction over the professional activities of the Supplier in the state where the SNF is located and is not under any formal or informal investigation or preliminary inquiry by such department or agency for possible disciplinary action; and
  - b. has not been excluded from the Medicare or Medicaid programs.

## **II. SNF RESPONSIBILITIES**

A. Policies and Procedures. The SNF shall provide written policies and procedures for resident care, and shall comply in all material respects with applicable state and federal laws and regulations governing the provision of long-term care services.

B. Resident Charts. The SNF shall maintain individual resident charts in accordance with state and federal law. The SNF shall make available to the Supplier for

review and inspection, upon reasonable request, individual resident treatment records necessary for the proper evaluation and treatment of the resident. The Supplier agrees to maintain the confidentiality of such medical records in accordance with applicable law.

C. Business Associate Agreement. The SNF shall maintain a Business Associate Agreement as required by Health Insurance Portability and Accountability Act (HIPAA).<sup>1</sup>

D. Responsibility for Services Performed. The SNF shall retain professional and administrative responsibility for all services provided under this Agreement.

E. Payor Status. The SNF shall identify Medicare payor status—specifically whether the service ordered is subject to consolidated billing.

### **III. PAYMENT FOR SERVICES**

A. Fees. For all applicable services provided to SNF Part A residents, the SNF will pay the Supplier the lower of the Supplier prevailing charges for such services or XX% of the established Medicare fee screen for that test or service. The SNF reserves the right to withhold payment for such services until the applicable information is provided by the Supplier.

B. Invoices. The SNF agrees to make payment to the Supplier within \_\_ days of the latter of the invoice date or the date that the clinical data is received.

C. Billing. The supplier shall bill the SNF within \_\_\_ months of the date of service. However, the \_\_ month requirement is waived in any case where the SNF fails to correctly identify beneficiaries as being in a Part A stay and the Supplier receives from CMS either a claims denial or a recovery of payment notice for services that should have been billed to the SNF under consolidated billing.

### **IV. COMPLIANCE WITH PATIENT PROTECTION AND OTHER LAWS**

The Supplier and the SNF shall each comply with all applicable federal, state, and local laws, regulations, and policies with respect to the rendering of services in nursing or convalescent homes and the protection of the rights of patients, including, but not limited to, rights relative to confidentiality, privacy, quality of care, consumer protection, and the like. In the event of any complaint filed by or with respect to a patient in the SNF or any investigation initiated by any governmental agency or any litigation commenced against the SNF, the Supplier shall fully cooperate with the SNF in an effort to respond to and resolve the same in a timely and effective manner. The Supplier shall also cooperate fully with any

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<sup>1</sup> Skilled nursing facilities should determine whether the circumstances warrant a business associate agreement as required under the Health Insurance Portability and Accountability Act (HIPAA). For more information on HIPAA, see <http://www.hhs.gov/ocr/hipaa>.

insurance company providing protection to the SNF in connection with investigations. In this connection, the Supplier agrees to notify the SNF promptly of any inquiries, claims, and investigations and cooperate fully with the directions of the SNF with respect thereto.

**V. TERMINATION OF AGREEMENT**

This agreement may be terminated by either party immediately with proper written notice.

If to Supplier: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Fax: ( ) \_\_\_\_\_

If to SNF: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Fax: ( ) \_\_\_\_\_

SIGNED:

Skilled Nursing Facility \_\_\_\_\_ Date: \_\_\_\_\_

Supplier \_\_\_\_\_ Date: \_\_\_\_\_