CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-04 Medicare Claims Processing	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 1911	**Date: February 5, 2010**
	Change Request 6702

SUBJECT: Implementation of a New Skilled Nursing Facility (SNF) Consolidated Billing (CB) Edit for Facility Services Billed by Ambulatory Surgical Centers (ASCs)

I. SUMMARY OF CHANGES: A new edit will be created to prevent separate payment for facility costs billed by Ambulatory Surgical Centers for Medicare beneficiaries in Part A SNF stays.

NEW / REVISED MATERIAL
**EFFECTIVE DATE: ***January 1, 2008
IMPLEMENTATION DATE: July 6, 2010

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	Chapter / Section / Subsection / Title
R	6/Table of Contents
N	6/110/2.7/Edit to Prevent Payment of Facility Fees for Services Billed by an Ambulatory Surgical Center (ASC) when Rendered to a Beneficiary in a Part A Stay

III. FUNDING:
SECTION A: For Fiscal Intermediaries and Carriers:
No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

SECTION B: For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Business Requirements
Manual Instruction

**Unless otherwise specified, the effective date is the date of service.*

Attachment - Business Requirements

Pub. 100-04	Transmittal: 1911	Date: February 5, 2010	Change Request: 6702

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EFFECTIVE DATE: January 1, 2008

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I. GENERAL INFORMATION

A. Background: The Balanced Budget Act (BBA) of 1997 required the Centers for Medicare & Medicaid Services (CMS) to implement a Medicare SNF Prospective Payment System (PPS). Additionally, the BBA of 1997 required consolidated billing (CB) for SNFs. Under CB provision, an outside supplier must bill and receive payment from the SNF rather than from Medicare for services provided to a beneficiary in a Part A stay.

Services excluded from the CB provision include ambulatory surgeries performed at an outpatient hospital. However, this exception does not apply to the facility service provided by a freestanding, (non-hospital), ASC. Physicians' professional services are also excluded from consolidated billing.

B. Policy: This Change Request makes no change to SNF CB policy. It implements further editing to ensure correct payment for services provided in an ASC to beneficiaries in a SNF Part A stay.

II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
6702.1	When CWF receives a claim from an ASC, provider specialty 49, for a procedure code with a Type of Service F, for a beneficiary in a Part A SNF stay, it shall reject the claim and return to the contractors the current trailer used for SNF CB rejects as described in Chapter 6, Section 110.2.1A.									X	
6702.1.1	Upon receipt of the CWF rejection, the contractors shall deny the claim line(s) as they currently do for other services subject to SNF CB.	X			X						
6702.2	As it currently does per Chapter 6, Section 110.2.1B for services subject to SNF CB, CWF shall generate an unsolicited response for ASC services as defined in 6702.1.									X	
6702.2.1	Upon receipt of the unsolicited response, the contractors shall take the same action they currently do to recoup	X			X						

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
	overpayments for SNF claims subject to CB.										
6702.3	For both rejects and unsolicited responses, the contractors shall return the Medicare Summary Notice, Claims Adjustment Reason Code, and Remittance Advice Remark Code messages identified in Chapter 6, Section 110.2.1C.	X			X						
6702.4	Contractors shall not search files but shall reopen and reprocess claims applying this new edit when brought to their attention.	X			X						

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
6702.5	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X			X						

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below:
Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
	N/A

Section B: For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s): Leslie Trazzi at leslie.trazzi@cms.hhs.gov.

Post-Implementation Contact(s): Appropriate Regional Office.

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs),* and *Carriers*:

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

Section B: *For Medicare Administrative Contractors (MACs)*:

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

Medicare Claims Processing Manual

Chapter 6 - SNF Inpatient Part A Billing and SNF Consolidated Billing

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Table of Contents
(Rev. 1911, 02-05-10)

110.2.7 – Edit to Prevent Payment of Facility Fees for Services Billed by an Ambulatory Surgical Center (ASC) when Rendered to a Beneficiary in a Part A Stay

(Rev. 1911; Issued: 02-05-10; Effective Date: 01-01-08; Implementation Date: 07-06-10)

The Balanced Budget Act (BBA) of 1997 required the implementation of a SNF prospective payment system and the consolidated billing of services provided to residents of the SNF. Facility services provided by a freestanding non-hospital ASC are included under the SNF CB provisions. This edit will prevent payment of those facility services when provided in an ASC to a beneficiary in a Part A SNF CB stay.

Effective for claims with dates of service on or after January 1, 2008 that are processed on or after July 6, 2010, when CWF receives a claim for a facility service from an ASC that is enrolled as a provider specialty type 49, and the service has a Type of Service F, and the patient is in a Part A SNF stay, it shall notify the contractors/A/B MACs that they shall reject the claim line for the service(s). It shall send the same trailer that is currently sent for services subject to SNF consolidated billing. (The services subject to this editing will also appear on the ASC Fee schedule.)

Also, when CWF receives a Part A SNF claim, it shall also notify contractors/A/B MACs through an unsolicited response of any facility services as described above that were incorrectly paid. Contractors/MACs shall follow current processes to recoup any overpayments.

Contractors/A/B MACs shall return the same messages found in Section 110.2.1C.