
CMS Manual System
Pub. 100-04 Medicare Claims
Processing

Department of Health & Human
Services (DHHS)
Centers for Medicare & Medicaid
Services (CMS)

Transmittal 338

Date: OCTOBER 29, 2004

CHANGE REQUEST 3534

SUBJECT: Removal of the Skilled Nursing Facility (SNF) No Pay File

I. SUMMARY OF CHANGES: Discontinue the use of the SNF No Pay File for editing SNF claims with dates of service on and after January 1, 2005.

NEW/REVISED MATERIAL - EFFECTIVE DATE*: January 1, 2005

IMPLEMENTATION DATE: January 3, 2005

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. 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 not updated.)

(R = REVISED, N = NEW, D = DELETED) – (Only One Per Row.)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

III. FUNDING: Medicare contractors shall implement these instructions within their current operating budgets.

IV. ATTACHMENTS:

	Business Requirements
	Manual Instruction
	Confidential Requirements
	One-Time Notification
X	Recurring Update Notification

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

Attachment – Recurring Update Notification

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SUBJECT: Removal of the Skilled Nursing Facility (SNF) No Pay File

I. GENERAL INFORMATION

A. Background: CMS created and has used a file to edit SNF claims to prevent payment of services not covered in a SNF for the past several years. The file listed affected procedure codes. As questions have been posed about codes in the file, CMS has changed the file, and it has become smaller and smaller over time. Since Medicare uses existing outpatient code editors to prevent payment of procedure codes never covered under Medicare, the editing accomplished through the No Pay file is somewhat duplicative of other efforts.

B. Policy: By law, Medicare only pays for services that are medically necessary, part of defined Medicare benefits, and that adhere to applicable Medicare payment policy for a given benefit-such as SNF. All Part B SNF (i.e., 22x and 23x types of bills) claims are sent through the Outpatient Prospective Payment System (OPPS) Outpatient Code Editor (OCE), which edits for all non-covered services including both statutory and non-statutory excluded services.

C. Provider Education: A Medlearn Matters provider education article related to this instruction will not be made available. No special education effort is required. However, fiscal intermediaries (FIs) are free to answer questions they receive on the SNF No Pay File, if any, noting that the file has been discontinued with the implementation of this instruction. FIs are already aware that providers often confuse the SNF Help and No Pay Files, this instruction does not affect the Help File at all.

II. BUSINESS REQUIREMENTS

“Shall” denotes a mandatory requirement

“Should” denotes an optional requirement

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
3534.1	Effective for claims with dates of service on and after January 1, 2005, the SSM shall discontinue the use of the SNF No Pay File in editing SNF claims.					X				

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
3534.2	The SSM shall continue to use the most recent SNF No Pay File (July 2003) to edit claims with dates of service prior to January 1, 2005.					X				
3534.3	Assure staff who work with SNFs are aware of the discontinuation of the No Pay File as needed.	X								

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations:

X-Ref Requirement #	Recommendation for Medicare System Requirements
3534.2	Install a bypass to the SNF No Pay file edit for claims with dates of service prior to January 1, 2005, when a code exists on the file in error. This would alleviate the CMS from sending a new SNF No Pay File to edit claims prior to January 1, 2005.

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: January 1, 2005</p> <p>Implementation Date: January 3, 2005</p> <p>Pre-Implementation Contact(s): Jason Kerr, 410-786-2123, jkerr3@cms.hhs.gov; Elizabeth Carmody, 410-786-7533, ecarmody@cms.hhs.gov .</p> <p>Post-Implementation Contact(s): Regional Offices</p>	<p>Medicare Contractors shall implement these instructions within their current operating budgets.</p>
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