



News Flash – The revised *Skilled Nursing Facility (SNF) Spell of Illness Quick Reference Chart* (January 2008), which provides Medicare claims processing information related to SNF spells of illness, can be accessed at <http://www.cms.hhs.gov/MLNProducts/downloads/SNFSpellIllnesschrt.pdf> on the Centers for Medicare & Medicaid Services website.

MLN Matters Number: MM5991

Related Change Request (CR) #: 5991

Related CR Release Date: May 16, 2008

Effective Date: June 16, 2008

Related CR Transmittal #: R89BP

Implementation Date: June 16, 2008

Medical and Other Health Services Furnished to SNF Patients

Provider Types Affected

Skilled Nursing Facilities (SNFs) submitting claims to Medicare contractors (Fiscal Intermediaries (FIs) and/or Part A/B Medicare Administrative Contractors (A/B MACs)) for Part B services, including outpatient therapy services provided to Medicare beneficiaries.

Provider Action Needed

This article is based on Change Request (CR) 5991 which revises the Medicare Benefit Policy Manual (Chapter 8, Section 70) to clarify coverage of Part B services paid in SNFs, including outpatient physical therapy services, outpatient occupational therapy services, and outpatient speech pathology services..

Background

The Social Security Act (Section 1861) provides for the coverage of medical and other health services that are paid through Medicare Part B, including the provision of outpatient physical therapy services and outpatient occupational therapy services. You can review Section 1861 of the Social Security Act at http://www.ssa.gov/OP_Home/ssact/title18/1861.htm on the internet.

With CR 5991, the Centers for Medicare & Medicaid Services (CMS) is making a slight modification to Section 70, Chapter 8 of the Medicare Benefit Policy Manual. Previously, that section of the manual began with the following paragraph:

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“The medical and other health services listed below and described in the Medicare Benefit Policy Manual, Chapter 6, “Hospital Services Covered Under Part B,” section 10, are covered under Part B when furnished by a participating SNF either directly or under arrangements to: inpatients who are not entitled to have payment made under Part A (e.g., benefits exhausted or 3-day prior-stay requirement not met); **or outpatients.**” (Emphasis added on “or outpatients.”)

To avoid confusion, CMS is deleting the words “or outpatients” from the end of that quoted paragraph. That is the key change that CR5991 makes, as none of the other services listed in this section of the manual can be provided by an SNF on an outpatient basis other than physical and occupational therapy and speech pathology services.

Outpatient physical and occupational therapy and outpatient speech pathology services may be provided by a SNF to its “outpatients,” including:

- Those of its own patients in their homes,
- Patients who come to the SNF’s outpatient department,
- Inpatients of other institutions, and
- The SNFs own inpatients who have exhausted their Part A benefits or who are not otherwise eligible for Part A benefits.

In addition, CR5991 reminds SNFs of the following existing policies:

- SNFs may furnish physical therapy, occupational therapy, or speech language pathology services to their inpatients without having to set up facilities and procedures for furnishing the same services to outpatients. However, if the SNF chooses to furnish the therapy services mentioned in this article, the SNF must bill the program under Part B and may only charge the patient for the applicable deductible and coinsurance.
- In the case of a distinct part SNF, the certified part must bill the program under Part B for any outpatient physical therapy, occupational therapy, or speech language pathology services that the certified distinct part itself furnishes to inpatients of the non-certified part.
- Alternatively, residents of the non-certified part can receive outpatient therapy services from a hospital that exceed the Part B therapy caps, in accordance with CR 2674 (Program Memorandum A-03-040, May 9, 2003) which can be found at <http://www.cms.hhs.gov/Transmittals/downloads/A03040.pdf> on the CMS website.

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Additional Information

The official instruction, CR 5991, issued to your FI or A/B MAC regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R89BP.pdf> on the CMS website.

If you have any questions, please contact your FI or A/B MAC at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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