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## Skilled Nursing Facility (SNF) Consolidated Billing as It Relates to Dialysis Coverage

**Note:** This article was revised to contain Web addresses that conform to the new CMS web site and to show they are now MLN Matters articles. All other information remains the same.

### Provider Types Affected

Skilled Nursing Facilities (SNFs), physicians, End-Stage Renal Disease (ESRD) facilities, and hospitals

### Provider Action Needed

This Special Edition is an informational article that describes SNF Consolidated Billing (CB) as it applies to dialysis coverage for SNF residents. See MLN Matters article SE0431 for a detailed overview of SNF CB, including a section on services excluded from SNF CB. This article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0431.pdf> on the CMS web site.

### Clarification

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 sources can include other providers of service (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. (Bills for certain types of items or equipment would be submitted by the supplier to their Medicare Durable Medical Equipment Regional Carrier (DMERC))

### Background

Dialysis furnished to a 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

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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).

However, the SNF PPS legislation also gives SNFs the option of “unbundling” the dialysis and, 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. As such, these services can be furnished and billed directly to the Medicare Part B carrier by the outside dialysis supplier itself. In addition, effective April 1, 2000, the Balanced Budget Refinement Act of 1999 (BBRA 1999, Section 103) excluded from SNF CB 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)).

As noted previously, if the SNF elects to provide the dialysis services under Part A, either directly or under an arrangement with an outside supplier, these services would be included in the SNF’s PPS per diem payment (since dialysis services that SNFs furnished in this manner during the PPS base period would have been included on their cost reports and reflected in the PPS base). Further, since the Social Security Act (Section 1833 (d)) expressly prohibits payment under Part B for any service that is covered under Part A, 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)).

## Additional Information

See MLN Matters Special Edition SE0431 for a detailed overview of SNF CB. This article lists services excluded from SNF CB and can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0431.pdf> on the CMS web site.

The Centers for Medicare & Medicaid Services (CMS) MLN Consolidated Billing web site may be found at <http://www.cms.hhs.gov/SNFConsolidatedBilling/> on the CMS web site. It includes the following relevant information:

- General SNF CB information;
- HCPCS codes that can be separately paid by the Medicare carrier (i.e., services not included in CB);
- Therapy codes that must be consolidated in a non-covered stay; and
- All code lists that are subject to quarterly and annual updates and should be reviewed periodically for the latest versions.

The SNF PPS Consolidated Billing web site 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 web site. It includes the following relevant information:

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- Background;
- Historical questions and answers;
- Links to related articles; and
- Links to publications (including transmittals and Federal Register notices).

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