CMS Manual System

Pub. 100-04 Medicare Claims Processing

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

Transmittal 342 **Date: October 29, 2004**

CHANGE REQUEST 3427

NOTE: These instructions were previously released under RO-2915/CI-2720 dated October 29, 2004, with instructions not to post until you receive further guidance from CMS. These instructions are no longer Sensitive and can now be posted to your Intranet and Internet.

SUBJECT: Change to the Common Working File (CWF) Skilled Nursing Facility (SNF) Consolidated Billing (CB) Edits for Ambulance Transports to or from a Diagnostic or Therapeutic Site

I. SUMMARY OF CHANGES: This transmittal implements a change to the processing of institutional provider claims for ambulance transports of a beneficiary in a Skilled Nursing Facility (SNF) Part A stay to or from an independent diagnostic testing facility (IDTF) when billed separately as a Part B service to the fiscal intermediary. It also clarifies the current SNF Consolidated Billing rules for ambulance transports to or from a diagnostic or therapeutic site other than a hospital or renal dialysis facility.

NEW/REVISED MATERIAL - EFFECTIVE DATE: April 1, 2005
***IMPLEMENTATION DATE: April 4, 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
R	6/20.3.1/Ambulance Services
R	15/30.2.3/SNF Billing

***III. FUNDING:**

These instructions shall be implemented within your current operating budget.

IV. ATTACHMENTS:

X	Business Requirements

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

***Medicare contractors only**

Attachment - Business Requirements

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I. GENERAL INFORMATION

A. Background:

Section 4432(b) of the Balanced Budget Act (BBA) requires consolidated billing (CB) for Skilled Nursing Facilities (SNF). Under the CB requirement, the SNF must submit all Medicare claims for all the services its residents receive under Part A (except for certain excluded services). In addition, the SNF must also submit Medicare claims for all physical and occupational therapies, and speech-language pathology services its residents receive under inpatient Part B. All Medicare-covered Part A services that are deemed to be within a SNF's scope or capability are considered paid in the SNF PPS rate.

Except for specific exclusions, SNF CB includes those medically necessary ambulance trips that are furnished during the course of a covered Part A stay.

Ambulance transports to or from an independent diagnostic testing facility (IDTF) are considered paid in the SNF PPS rate when the beneficiary is in a covered Part A stay and may **not** be paid separately as Part B services. The ambulance transport is included in the SNF PPS rate if the first or second character (origin or destination) of any HCPCS code ambulance modifier is "D" (Diagnostic or therapeutic site other than P or H), and the other modifier (origin or destination) is "N" (SNF). In this instance, the SNF is responsible for the costs of the transport. The "D" origin/destination modifier includes cancer treatment centers, wound care centers, radiation therapy centers, and all other diagnostic or therapeutic sites.

Note: Ambulance transports to and from renal dialysis facilities for the purpose of receiving dialysis are excluded from SNF CB. In this case, the first or second character (origin or destination) of any HCPCS code ambulance modifier is a "G" (Hospital based ESRD facility) or "J" (Freestanding ESRD facility), and the other modifier (origin or destination) is "N" (SNF). SNFs are not responsible for the costs of these transports.

Effective for claims with dates of service on or after October 1, 2004, Change Request 3196 included new edits that will be installed in the Common Working File (CWF) to deny Part B ambulance claims that meet the above criteria when billed to the carrier by ambulance suppliers. Effective for claims with dates of service on or after April 1, 2005, this instruction requires CWF to apply the same edits to ambulance services billed to the FI by institutional providers. This change does not replace existing CB policies as they relate to Critical Access Hospitals (CAHs) and End-Stage Renal Disease (ESRD) facilities. See

§30.2.3 of the Medicare Claims Processing Manual, Chapter 15, "Ambulance" for the complete set of SNF CB rules applicable to ambulance transports.

B. Policy:

Section 1888 of the Social Security Act codifies SNF PPS and CB.

C. Provider Education:
A Medlearn Matters provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn 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 must be included in your next regularly scheduled bulletin. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement
"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility (place an "X" in the columns that apply)								
						Shared System Maintainers				Other
		FI	RHHI	Carrier	DMERC	FISS	MCS	VMS	CWF	
3427.1	Effective April 1, 2005, the CWF System Maintainer shall create an edit to reject Part B ambulance claims containing revenue code 054x, in addition to an origin/destination modifier of "ND" or "DN" when the beneficiary is in a covered Part A SNF stay.								X	
3427.2	Effective April 1, 2005, the CWF System Maintainer shall add to the unsolicited process the edit logic for rejecting Part B ambulance claims containing revenue code 054x with an origin/destination modifier of "ND" or "DN" when the beneficiary is in a covered Part A SNF stay.								X	

Requirement Number	Requirements	Responsibility (place an "X" in the columns that apply)								
						Shared System Maintainers				Other
		FI	RHHI	Carrier	DMERC	FISS	MCS	VMS	CWF	
3427.3	Effective for claims with dates of service on or after April 1, 2005, the FIs and their SSM shall reject claims for ambulance services billed by institutional providers for a beneficiary in a covered Part A SNF stay being transported to or from an IDTF, or other diagnostic or therapeutic site. The first or second character (origin or destination) of any HCPCS code ambulance modifier is "D" (Diagnostic or therapeutic site other than P or H) and the other modifier (origin or destination) is "N" (SNF). The provider of service for the ambulance transport must look to the SNF for payment.	**X**				**X**				
3427.4	FIs shall use MSN message 13.9: "Medicare Part B does not pay for this item or service since our records show that you were in a skilled nursing facility on this date," when rejecting claims for ambulance transports between a SNF and an IDTF, or other diagnostic or therapeutic sites. The first or second character (origin or destination) of any HCPCS code ambulance modifier is "D" (Diagnostic or therapeutic site other than P or H) and the other modifier (origin or destination) is "N" (SNF).	**X**				**X**				
3427.5	FIs shall use ANSI Reason code 97: "Payment is included in the allowance for another service/procedure," on the remittance advice when rejecting claims for ambulance transports to or from an IDTF, or other diagnostic or therapeutic site. The first or second character (origin or destination) of any HCPCS code ambulance modifier is "D" (Diagnostic or therapeutic site other than P or H) and the other modifier (origin or destination) is "N" (SNF).	**X**				**X**				

Requirement Number	Requirements	Responsibility (place an "X" in the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers: FISS	MCS	VMS	CWF	Other
3427.6	FIs shall use Remittance Advice Remark code N106: "Payment for services furnished to Skilled Nursing Facility (SNF) inpatients (except for excluded services) can only be made to the SNF. You must request payment from the SNF rather than the patient for this service," when rejecting claims for ambulance transports between a SNF and an IDTF, or other diagnostic or therapeutic site. The first or second character (origin or destination) of any HCPCS code ambulance modifier is "D" (Diagnostic or therapeutic site other than P or H) and the other modifier (origin or destination) is "N" (SNF).	X				X				

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions:

X-Ref Requirement #	Instructions
N/A	

B. Design Considerations:

X-Ref Requirement #	Recommendation for Medicare System Requirements
N/A	

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

Effective Date*: April 1, 2005 **Implementation Date:** April 4, 2005 **Pre-Implementation Contact(s):** Jason Kerr (410) 786-2123 (for FI related issues) **Post-Implementation Contact(s):** Regional Offices	**Medicare Contractors shall implement these instructions within their current operating budgets.**

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

20.3.1. - Ambulance Services

(Rev. 342, Issued: 10-29-04, Effective: 04-01-05, Implementation: 04-04-05)

The following ambulance transportation and related ambulance services for residents in a Part A stay are not included in the Part A PPS payment. Except for specific exclusions, consolidated billing includes those medically necessary ambulance trips that are furnished during the course of a covered Part A stay. Carriers *and intermediaries* are responsible for assuring that payment is made only for ambulance services that meet established coverage criteria.

In most cases, ambulance trips are excluded from consolidated billing when resident status has ended. The ambulance company then must bill the carrier *or intermediary (as appropriate)* directly for payment. Listed below are a number of specific circumstances under which a beneficiary may receive ambulance services that are covered by Medicare, but excluded from consolidated billing.
The following ambulance services may be billed as Part B services by the supplier in the following situations only.

- The ambulance trip is to the SNF for admission (the second character (destination) of any ambulance HCPCS modifier is N (SNF) other than modifier QN, and the date of service is the same as the SNF 21X admission date.);

- The ambulance trip is from the SNF after discharge, to the beneficiary's home where the beneficiary will receive services from a Medicare participating home health agency under a plan of care (the first character (origin) of any HCPCS ambulance modifier is N (SNF)), and date of ambulance service is the same date as the SNF through date and the SNF patient status is other than 30;

- The ambulance trip is to a hospital based or nonhospital based ESRD facility (either one of any HCPCS ambulance modifier codes is G (Hospital based dialysis facility) or J (Non-hospital based dialysis facility) for the purpose of receiving dialysis and related services excluded from consolidated billing;

- The ambulance trip is from the SNF to a Medicare participating hospital or a CAH for an inpatient admission;

- The ambulance trip after a formal discharge or other departure from the SNF to any destination other than another SNF, and the beneficiary does not return to that or any other SNF by midnight of that same day; and

- Ambulance service that conveys a beneficiary to a hospital or CAH and back to the SNF, for the specific purpose of receiving emergency or other excluded services.

Note that ambulance trips associated with services provided in renal dialysis facilities (RDFs) are also excluded from SNF consolidated billing. *The first or second character (origin or destination) of any HCPCS code ambulance modifier is "G" (hospital-based dialysis facility), or "J" (non hospital-based dialysis facility), and the other modifier (origin or destination) is "N" (SNF).* Effective April 1, 2002, payment shall be the amount prescribed in the ambulance fee schedule.
The following ambulance services are included in SNF CB and may ***not*** be billed as Part B services to the intermediary or carrier when the beneficiary is in a Part A stay:

- A beneficiary's transfer from one SNF to another before midnight of the same day.

- Ambulance transports to or from a diagnostic or therapeutic site other than a hospital or renal dialysis facility (e.g., an independent diagnostic testing facility (IDTF), cancer treatment center, radiation therapy center, wound care center, etc.). *The ambulance transport is included in the SNF PPS rate if the first or second character (origin or destination) of any HCPCS code ambulance modifier is "D" (diagnostic or therapeutic site other than "P" or "H"), and the other modifier (origin or destination) is "N" (SNF).* The first SNF is responsible for billing the services to the FI.

See Chapter 15 for Ambulance Services.

30.2.3 - SNF Billing

(Rev. 342, Issued: 10-29-04, Effective: 04-01-05, Implementation: 04-04-05)

The following ambulance transportation and related ambulance services for residents in Part A stays are not included in the PPS rate. They may be billed as Part B services by the supplier only in the following situations:

- The ambulance trip is to the SNF for admission (the second character (destination) of any ambulance HCPCS code modifier is N (SNF) other than modifier QN, and the date of service is the same as the SNF 21X admission date.)

- The ambulance trip is from the SNF to home (the first character (origin) of any HCPCS code ambulance modifier is N (SNF)), and date of ambulance service is the same date as the SNF through date, and the SNF patient status (FL 22) is other than 30.)

- The ambulance trip is to a hospital based or nonhospital based ESRD facility (either one of any HCPCS code ambulance modifier codes is G (Hospital based dialysis facility) or J (Nonhospital based dialysis facility).

- The ambulance trip is from the SNF to another SNF (the first and second character (origin and destination) of any ambulance HCPCS code modifier is "N" (SNF)) and the beneficiary is not in a Part A stay.

Ambulance payment associated with the following outpatient hospital service exclusions is paid under the ambulance fee schedule:

- Cardiac catheterization;
- Computerized axial tomography (CT) scans;
- Magnetic resonance imaging (MRIs);
- Ambulatory surgery involving the use of an operating room;
- Emergency services;
- Angiography;
- Lymphatic and Venous Procedures; and
- Radiology therapy.

Finally, ambulance transportation for removal, replacement, and insertion of PEG tubes is an excluded service under consolidated billing for Part A and is not considered an SNF service. Therefore, that ambulance is also excluded from SNF consolidated billing (CB), and the service would be billed to the carrier under Part B.

When not subject to SNF CB, claims for drugs and EKG testing administered during a transport to or from a SNF are separately payable during the AFS transition period only in those carrier jurisdictions that allowed separate payment for J-codes and EKG testing prior to the implementation of the AFS. (Only Method 3 and Method 4 suppliers in carrier jurisdictions that allowed separate payment for these services prior to April 1, 2002 may bill separately for J-codes and EKG testing during the transition period.)

Carriers in those jurisdictions that allow separate billing for J-codes and EKG testing apply the appropriate reasonable charge percentage for the AFS transition year (40% in 2004) to the reasonable charge amount for these codes. (Because separately billable items are not recognized under the fee schedule, there is no FS portion for these codes.) In jurisdictions where separate payment for J-codes and EKG testing was not permitted prior to April 1, 2002, carriers shall deny supplier claims for such services.

The following ambulance transportation and related ambulance services for residents in a Part A stay are included in the SNF PPS rate and may not be billed as Part B services by the supplier. In these scenarios, the services provided are subject to SNF CB and the first SNF is responsible for billing the services to the intermediary:

- A beneficiary's transfer from one SNF to another before midnight of the same day. The first and second characters (origin and destination) of any HCPCS code ambulance modifier are "N" (SNF).

- A transport between two SNFs is not separately payable when a beneficiary is in a Part A covered SNF stay, and will result in a denial of a claim for such a transport. When billing for ambulance transports, suppliers should indicate whether the transport was part of a SNF Part A covered stay, using the appropriate origin/destination modifier (e.g., "NH" for a transport from a SNF to a hospital).

- Suppliers should bill with an "NN" origin/destination modifier when a SNF to SNF transport occurs. A transport between two SNFs is not separately payable when a beneficiary is in a Part A covered SNF stay, and will result in a denial of a claim for such a transport.

- Ambulance transports to or from a diagnostic or therapeutic site other than a hospital or renal dialysis facility (e.g., an independent diagnostic testing facility (IDTF), cancer treatment center, radiation therapy center, wound care center, etc.). The first or second character (origin or destination) of any HCPCS code ambulance modifier is "D" *(Diagnostic or therapeutic site other than P or H)*, and the other modifier (origin or destination) is "N" (SNF).