

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 1068</b>	<b>Date: SEPTEMBER 29, 2006</b>
	<b>Change Request 5283</b>

**SUBJECT: 2007 Annual Update of HCPCS Codes for Skilled Nursing Facility (SNF) Consolidated Billing (CB) for the Common Working File (CWF), Medicare Carriers and Fiscal Intermediaries (FIs)**

**I. SUMMARY OF CHANGES:** Changes to Healthcare Common Procedure Coding System codes and Medicare Physician Fee Schedule designations will be used to revise CWF edits to allow carriers and FIs to make appropriate payments in accordance with policy for SNF consolidated billing.

**NEW / REVISED MATERIAL**

**EFFECTIVE DATE: \*January 1, 2007**

**IMPLEMENTATION DATE: January 2, 2007**

*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/revise 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	6/20/Services Included in Part A PPS Payment Not Billable Separately by the SNF

**III. FUNDING:**

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2007 operating budgets.

**IV. ATTACHMENTS:**

**Recurring Update Notification  
Manual Instruction**

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

# Attachment – Recurring Update Notification

Pub. 100-04	Transmittal: 1068	Date: September 29, 2006	Change Request: 5283
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**SUBJECT: 2007 Annual Update of HCPCS Codes for Skilled Nursing Facility (SNF) Consolidated Billing (CB) for the Common Working File (CWF), Medicare Carriers and Fiscal Intermediaries (FIs)**

## I. GENERAL INFORMATION

**A. Background:** CWF currently has edits in place for claims received for beneficiaries in a Part A covered SNF stay as well as for beneficiaries in a non-covered stay. These edits only allow services that are excluded from consolidated billing to be separately paid by the carrier and/or FI. Barring any delay in the Medicare Physician Fee Schedule, the new code files will be provided to CWF by November 1, 2006.

**For Carrier processing only:** By the first week in December 2006, new code files will be posted to the CMS Web site at: <http://www.cms.hhs.gov/SNFConsolidatedBilling/>.

**For FI processing only:** By the first week in December 2006, new Excel and PDF files will be posted to the CMS Web site at: <http://www.cms.hhs.gov/SNFConsolidatedBilling/>. It is **important and necessary** for the provider/contractor community to view the “General Explanation of the Major Categories” pdf file located at the bottom of each year’s FI update in order to understand the Major Categories including additional exclusions not driven by HCPCS codes.

**B. Policy:** Changes to Healthcare Common Procedure Coding System codes and Medicare Physician Fee Schedule designations will be used to revise CWF edits to allow carriers and FIs to make appropriate payments in accordance with policy for SNF consolidated billing in Chapter 6, Section 110.4.1 for Carriers and Chapter 6, Section 20.6 for FIs.

## 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	

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 S	Shared System Maintainers				Other
F I S S	M C S					V M S	C W F			
5283.1	The CWF contractor shall accept new carrier SNF coding files and process SNF CB claims for dates of service on or after January 1, 2007 per CR 4390.								X	
5283.2	The CWF contractor shall compare the new <b>FI</b> code list for Major Categories I-V to the codes in the current edit. Codes that appear on the new list, but not in the current edit, shall be added to the edit.								X	
5283.2.1	After it has compared all codes on the new edit lists to those in the current edits, the CWF contractor shall provide CMS with a list of codes by edit that were formerly on the edits, but do not appear on the new code lists.								X	
5283.2.2	The CWF contractor will delete codes from the edits per the CMS determination.								X	
5283.3	Carriers, DMERCS, DME MACS and FIs shall continue to respond to rejects and unsolicited responses received from CWF per current methodology.	X		X	X					
5283.4	Carriers, DMERCS, DME MACS and FIs shall reopen and reprocess any claims brought to their attention for services that prior to this update were mistakenly not considered to be excluded from consolidated billing and therefore, not separately payable. Carriers need not search claims history to identify these claims. Any of these changes will be listed on the web sites.	X		X	X					

### III. PROVIDER EDUCATION

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 S	Shared System Maintainers			
F I S S	M C S					V M S	C W F		

						F I S S	M C S	V M S	C W F	
5283.5	<p>A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/MLNMattersArticles">www.cms.hhs.gov/MLNMattersArticles</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv.</p> <p>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 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic.</p> <p>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.</p>	X		X	X					

**IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS**

**A. Other Instructions:**

X-Ref Requirement #	Instructions

**B. Design Considerations: N/A**

X-Ref Requirement #	Recommendation for Medicare System Requirements

**C. Interfaces: N/A**

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

**E. Dependencies: N/A**

**F. Testing Considerations: N/A**

**V. SCHEDULE, CONTACTS, AND FUNDING**

<p><b>Effective Date*:</b> January 1, 2007</p> <p><b>Implementation Date:</b> January 2, 2007</p> <p><b>Pre-Implementation Contact(s):</b> Jason Kerr (410) 786-2123 or <a href="mailto:Jason.Kerr@cms.hhs.gov">Jason.Kerr@cms.hhs.gov</a> for FI billing or April Billingsley, 410-786-0140, <a href="mailto:April.Billingsley@cms.hhs.gov">April.Billingsley@cms.hhs.gov</a> for carrier billing</p> <p><b>Post-Implementation Contact(s):</b> Regional Office</p>	<p><b>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.</b></p>
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## **20 - Services Included in Part A PPS Payment Not Billable Separately by the SNF**

*(Rev. 1068, Issued: 09-29-06; Effective: 01-01-07; Implementation: 01-02-07)*

For cost reporting periods beginning on and after July 1, 1998, SNF services paid under Part A include posthospital SNF services for which benefits are provided under Part A, and all items and services which, prior to July 1, 1998, had been paid under Part B but furnished to SNF residents during a Part A covered stay regardless of source, except for the exclusions listed in the annual SNF consolidated billing update files. Annual update files, as well as subsequent quarterly updates to the annual update, for SNF consolidated billing can be found at <http://www.cms.hhs.gov/SNFConsolidatedBilling/>. This file lists services by HCPCS code, short descriptors, and the major category under which the HCPCS falls. HCPCS added or removed by subsequent quarterly update transmittals will be listed under the respective year's annual update at the above link. The respective year's annual update file will be updated to add or remove the HCPCS listed in the quarterly updates.

A general explanation of the five major categories can also be found at the above link.

**Note:** It is important for contractors/providers to understand the major categories for SNF CB. Some major categories exclude services by revenue code (see section 20.1.2.2 for emergency room exclusion) as well as bill types (see section 20.2.1.2 on coding for renal dialysis facilities and 20.2.2 for hospice facilities).

Services paid under Part A cannot be billed under Part B. Any service paid under Part A that is billed separately will not be paid separately, or payment will be recovered if already paid at the time of the SNF billing. The following subsections list the types of services that can be billed under Part B for SNF residents for whom Part A payment is made.