Medicare Certified Swing Bed Hospital Services

Information for Medicare Fee-for-Service Health Care Professionals

The Centers for Medicare & Medicaid Services (CMS) has prepared this fact sheet to remind providers of the criteria for and regulations regarding classification as a Medicare certified swing bed hospital.

Background

Under the Social Security Act (Section 1883(a) (1), [42 U.S.C. 1395tt]), any hospital that has an agreement under Section 1866 may enter into an agreement with the Centers for Medicare & Medicaid Services (CMS) in which its inpatient hospital facilities may be used for furnishing types of service that, if furnished in a Skilled Nursing Facility (SNF), would constitute extended care services (subject to Section 1883(b)).

Such a hospital is known as a ***swing bed*** hospital.

Section 1883 (b) of the Social Security Act requires that the hospital:

- Be located in a rural area; and
- Have less than 100 beds.

Also (except as otherwise provided under CMS regulations) under Subsection (c), an agreement with a hospital must:

- Be of the same duration and subject to termination on the same conditions as are agreements with SNFs under the Social Security Act (Section 1866); and
- Impose (where not inconsistent with any provision of this section) the same duties, responsibilities, conditions and limitations, as those imposed under such agreements entered into under Section 1866 of the Social Security Act.

Swing Bed Hospital Requirements

A ***swing bed*** must:

- Be in substantial compliance (under the Code of Federal Regulations (CFR), Title 42, Part 482, Section 482.66 (b) (42CFR 482.66 (b)) with the following SNF requirements:
  - Resident rights;
  - Admission, transfer, and discharge rights;
  - Resident behavior and facility practices;
  - Patient activities;
  - Social services;
  - Discharge planning;
  - Specialized rehabilitative services; and
  - Dental services.
- Not have in effect a 24-hour nursing waiver granted under 42 CFR 488.54(c).

In addition, a ***swing bed hospital*** must:

- Meet all of the Conditions of Participation applicable to a Medicare-certified hospital set forth in 42 CFR 482; and
- Not have had a swing bed approval terminated within the two years previous to the current application for a swing bed agreement.

Social Security Act Section 1883(a)(1) can be found at ***http://www.ssa.gov/OP_Home/ssact/title18/1883.htm*** on the Internet.
Section 1866 can be found at ***http://www.ssa.gov/OP_Home/ssact/title18/1866.htm*** on the Internet.
Also, see the *Medicare General Information, Eligibility, and Entitlement Manual* (Publication 100-1, Chapter 5, Section 30.3); and the *Medicare Benefit Policy Manual* (Publication 100-02, Chapter 8, Section 10.3) at ***http://www.cms.hhs.gov/Manuals/IOM/list.asp*** on the CMS website.
Also refer to 42 CFR 482.66 at ***http://www.gpoaccess.gov/cfr/retrieve.html*** on the Internet.

Services Covered in a Medicare Certified Swing Bed

Under the Social Security Act, Section 1883(a)(1), payment for swing bed services will be made only for services for which payment would be made as post-hospital ***extended care services*** if those services had been furnished by an SNF under an agreement entered into under Section 1866.

The meaning of the term ***extended care services*** is set forth in Section 1861(h) (***http://www.ssa.gov/OP_Home/ssact/title18/1861.htm***) of the Act and includes such things as nursing care, bed and board, and medical social services.

Coverage of extended care services are subject to:

- Requirements set forth in the Social Security Act (Section 1861(i)); and
- Implementing regulations found in 42 CFR 409 (Subpart D), including that of the three-day qualifying inpatient stay.

The **level of care criteria** set forth in 42 CFR 409.31 requires that the skilled nursing and/or skilled rehabilitation services provided to a beneficiary must:

- Be ordered by a physician;
- Require the skills of technical or professional personnel;
- Be furnished directly by, or under the supervision of, such personnel; and
- Be provided on a daily basis for a condition:
  - For which the beneficiary received inpatient hospital or inpatient Critical Access Hospital (CAH) services; or
  - Which arose while the beneficiary was receiving care in a swing bed hospital for which he or she received inpatient hospital or inpatient CAH services.

Time spent by the beneficiary in observation status or in the emergency room prior to (or in lieu of) a formal inpatient admission to the hospital does not count toward the three-day qualifying inpatient hospital stay. In addition, the beneficiary must have been transferred to a participating SNF within 30 days after discharge from the hospital, unless certain specified exceptions apply.

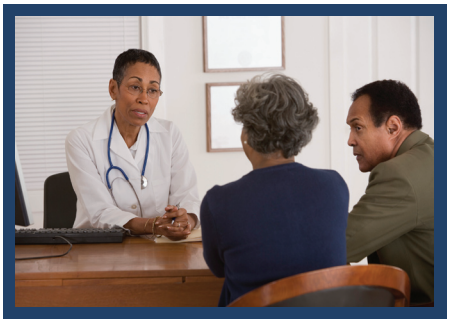
Non-covered care is any care that does not meet the level of care criteria set forth on the previous page.

See the *Medicare Benefit Policy Manual* (Publication 100-02, Chapter 8) at ***http://www.cms.hhs.gov/Manuals/IOM/list.asp*** on the CMS website.

How Services are Paid for a Medicare Certified Swing Bed

The Balanced Budget Act (BBA) of 1997 (Section 4432(a), ***http://www.cms.hhs.gov/SNFPPS/***) requires that swing beds located in hospitals (short term, long term, critical access, and rehabilitation) that are certified as swing bed hospitals be subject to payment based upon the provisions of the SNF Prospective Payment System (PPS), effective with cost reporting periods beginning on or after July 1, 2002.

Regulatory requirements specific to payment of swing bed services under the SNF PPS can be found in 42 CFR 413.114 and 42 CFR 413 (Subpart J). Further interpretation of both the Social Security Act and the regulations can be found in the *Medicare Provider Reimbursement Manual* (CMS Publication 15-1, Section 2831 to Section 2837).



Under the Benefits Improvement and Protection Act (BIPA) of 2000 (Section 203), swing beds in CAHs are exempt from Section 1888(e)(7) of the Social Security Act (***http://www.socialsecurity.gov/OP_Home/ssact/title18/1888.htm***).

This provision applies the SNF PPS to SNF services furnished by swing bed hospitals generally, effective with cost reporting periods beginning on or after the date of the enactment of the BIPA 2000 (December 21, 2000). In addition, this provision established a new reimbursement system for CAHs that provides for full **reasonable cost payment** for CAH swing bed services instead of payment based upon SNF PPS.

Providers of swing bed services are eligible for **additional payment** for services that are excluded from the SNF Part A consolidated billing (CB) requirements. According to Program Memorandum A-02-060, when a swing bed hospital provides a service (that is excluded from SNF PPS) to a beneficiary receiving SNF-level services, the hospital can submit a separate bill for the service but must use Type of Bill (TOB)13x.

See the *Medicare Claims Processing Manual* (Publication 100-04, Chapter 3, Subsection 30.1.2) at ***http://www.cms.hhs.gov/Manuals/IOM/list.asp*** on the CMS website.
Program Memorandum A-02-060 can be found at ***http://www.cms.hhs.gov/Transmittals/downloads/A02060.pdf*** on the CMS website.

Note that the bill:

- Will be paid as inpatient Part B services under the Outpatient Prospective Payment System (OPPS); and
- Must include:
  - All appropriate revenue codes;
  - Healthcare Common Procedure Coding System (HCPCS) codes; and
  - Line item date of service billing information.

Likewise, swing bed hospitals may file bills with the fiscal intermediary (FI) or Medicare Administrative Contractor (MAC) for Part B Ancillary services furnished to beneficiaries who are not in a Part A PPS swing bed stay. These

claims are billed as inpatient Part B services and are also paid under OPPS.

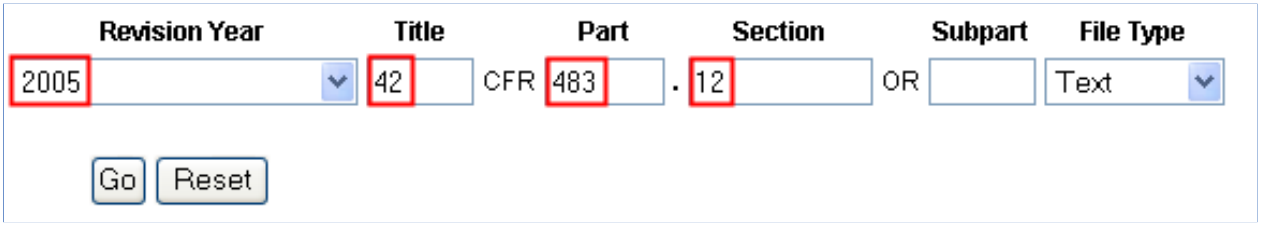
See the *Medicare Claims Processing Manual* (Publication 100-04, Chapter 6, Section 100) at ***http://www.cms.hhs.gov/Manuals/IOM/list.asp*** on the CMS website.

Additional Information

You can retrieve any CFR referenced in this fact sheet at the following GPO website: ***http://www.gpoaccess.gov/cfr/retrieve.html*** on the Internet. Once at this GPO website, select the Revision Year you wish to review (2005 for the swing bed rule mentioned in this article) for prior years or select "Most Recent Available," and fill in the TITLE, PART, and FILE TYPE (Text, PDF, or Summary) of the CFR document you want to review. (If you do not find your selection in the year you searched, select an earlier year and repeat the process until you use a year that contains the section you seek.)

You must fill in **either** a Section Number **or** a Subpart letter. Next, type the title, part, and section (or subpart) in the boxes provided. Finally, select the type of file you wish to retrieve by using the pull-down menu.

Documents are available as ASCII text and PDF files. Summary files are ASCII text files that include only the first 100 lines of a document. ASCII text files are recommended. Next, select "GO," which will take you to the desired CFR. For example, if you want to review 42 CFR 483.12 (a)(1), you would type the following (bolded) into the indicated boxes: Title: **42,** Part: **483,** Section: **12.**



You then select **"GO"** to be taken to the desired document, at which point you can scroll down to Subpart (a)(1).

If you have any questions, please contact your FI or MAC at its toll-free number, which may be found at ***http://www.cms.hhs.gov/apps/contacts/*** on the CMS website.