SNF's Notice to a Physician Treating a Beneficiary in a Medicare Part A Stay
(Sample Notification #5)

_____ (resident's name) is a Medicare beneficiary who is a resident of _____ (name of SNF). Since Medicare Part A is covering this resident's SNF stay, most of the services that he or she receives are subject to the consolidated billing requirement. Under this requirement, the SNF must include these services on its Part A bill for the resident's Medicare-covered stay, and they are included within the comprehensive per diem that Part A pays the SNF for the covered stay. This means that when an outside entity furnishes such a service to the SNF's resident, that entity must obtain payment for the service from the SNF, rather than from Medicare Part B.

The consolidated billing requirement does not apply to a small number of "excluded" services. When furnished to a SNF's Part A resident, an excluded service remains separately billable to Part B, by the entity furnishing the service.

- For example, professional services furnished personally by a physician to a Part A SNF resident are excluded from consolidated billing, and are billed to the Part B carrier.
- However, services furnished by someone else as an "incident to" the physician's professional services are subject to consolidated billing, and are billed to the SNF rather than to Part B. "Incident to" services include providing non-self-administrable drugs and other biologicals, and supplies usually furnished by the physician in the course of performing his/her services (e.g., gauze, ointments, bandages, and oxygen.)
- Further, certain diagnostic tests include both a *professional* component (representing the physician's interpretation of the test) and a *technical* component (representing the test itself). In this situation, only the professional component of the service is billable to Part B, while the technical component must be billed to the SNF.

Certain services are paid directly by Medicare when performed on a hospital outpatient basis: cardiac catheterization; computerized axial tomography imaging (CT) scans; magnetic resonance imaging (MRI) services; ambulatory surgery involving the use of an operating room (including the insertion of percutaneous esophageal gastrostomy (PEG) tubes in a gastrointestinal or endoscopy suite); emergency room services; angiography; and lymphatic and venous procedures. When performed in any other setting, these services are the responsibility of the SNF. Accordingly, before providing any of these services, the supplier must coordinate with the SNF and receive permission to undertake such services.

Since this resident's SNF stay is being covered by Part A, the following services that we are requesting must be billed to us rather than to Part B.

(Specify services by name and Healthcare Common Procedure Coding System (HCPCS) code)

_____ _____

_____ _____

As explained above, these types of services are already included in Part A's global per diem payment for the resident's Medicare-covered SNF stay, and are not separately billable to Part B. Accordingly, we propose to pay you for these services as follows:

(Specify terms of payment, including amounts and time frames)

If you have any questions about the information contained in this notice, please contact _____ (name and phone number of SNF contact person). In addition, please be sure to contact us before furnishing any services beyond those specified above, or before referring this resident to any other entity to receive such services.