To the Point: Consolidated Billing

Slide 1: *To the Point* is presented by the Provider Outreach and Education Department at CGS.

Slide 2: The Provider Outreach and Education Department creates these brief recordings on hot topics or upcoming events. The purpose is to provide suppliers with quick information on identified topics, how they affect you, and any action(s) needed on your part. These recordings are less than 10 minutes and will contain resources for additional information when applicable.

Slide 3: This session provides an overview and explanation of what is considered consolidated billing and how it relates to residents in a skilled nursing facility, capped rental DME items, and the home health prospective payment system, or PPS. It will also look at inpatient stays and hospice as it applies to DMEPOS items. *To the Point* will conclude with resources to complete the understanding of consolidated billing.

Slide 4: What exactly is consolidated billing? The Social Security Act specifies that a hospital or skilled nursing facility cannot be considered a patient's home for the purposes of the DME benefit. Payment for durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) is included in the payment the skilled nursing facility or hospital receives for the covered stay under the Medicare Part A benefit, with a few exceptions. When DME is furnished for use in a skilled nursing facility during a covered or noncovered Part A stay, the DME MACs shall not make separate payment for these items. The Part B benefits do not cover DME items that are furnished for use in a skilled nursing facility.

Slide 5: For residents in a skilled nursing facility, under the consolidated billing requirements, the skilled nursing facility bears the responsibility for billing the entire package of care the resident receives, except for a limited number of excluded services. As a supplier, if you supplied an item or service to a beneficiary in a covered Part A stay, you must seek payment from the skilled nursing facility rather than the beneficiary or the DME MAC. Services and supplies furnished to a resident in a skilled nursing facility covered under the Part A benefit cannot be unbundled to an outside provider of services or supplies that can submit a separate bill directly to Medicare.

The SNF must furnish the services/supplies directly or under an arrangement with an outside provider.

The SNF, rather than the provider of the services, bills Medicare.

Slide 6: CMS has a list of HCPCS codes that are excluded from consolidated billing. If the HCPCS code appears on this list, suppliers are able to bill the DME MACs for payment, even if the beneficiary is in a covered Part A skilled nursing facility stay. The applicable HCPCS codes can be found using the link included on the slide and by following the instructions to open and download the sections. Some customized prosthetics are an example of items you will find on the list that is applicable to DME MAC billing.

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Slide 7: Medicare pays for DME when it is medically necessary for the use in the beneficiary's home. Skilled nursing and nursing facilities are not defined as a beneficiary's home, and therefore DME will not be paid separately in these locations. The place of service for a skilled nursing facility is 31 and 32 for a nursing facility. Some examples of items Medicare will not pay for in these places of service are hospital beds, wheelchairs, PAP devices, and oxygen equipment.

Slide 8: These are the types of things that are covered after the Part A Stay has ended: orthotics and prosthetics and related supplies, ostomy & urological supplies, surgical dressings, oral anticancer and oral antiemetic drugs, therapeutic shoes for persons with diabetes, parenteral and enteral nutrition including the IV pole, immunosuppressive drugs, and lymphedema compression treatment items.

Slide 9: The Balanced Budget Act of 1997 requires consolidated billing of all home health services while a beneficiary is under a home health plan of care authorized by a physician. Payment will be made to a single or the primary home health agency overseeing that plan whether or not the item or service was furnished by the agency, by others under arrangement, or when any other contracting or consulting arrangements existed with the primary agency or otherwise.

Slide 10: Routine and non-routine medical supplies are included in the payment the Home Health Agency receives for the 60-day home health episode. The Home Health Agency must bill for all supplies provided during this 60-day episode including those not related to the Plan of Care, due to the consolidated billing requirement.

Slide 11: The Home Health Consolidated Billing Master Code list is a list of HCPCS codes which apply to home health consolidated billing. If a HCPCS code appears on the list, that code may not be billed to the DME MAC when the beneficiary is in a home health episode. Examples of items you will find on the list, not billable during a home health episode, are ostomy & urological supplies and surgical dressings. A link (https://www.cms.gov/medicare/payment/prospective-payment-systems/home-health/coding-and-billing-information) is provided to check for applicable HCPCS codes.

Slide 12: Now, let's look at the pre-discharge delivery of DMEPOS during an inpatient stay. The reason this is relevant to consolidation billing is because we continue to issue denials for the beneficiary still being listed as inpatient. This could be because the Part A claim hasn't been billed, and this could cause your claim to deny for the patient still being listed as inpatient. Only certain items can be delivered up to 2 days prior to discharge. The circumstances are as follows: the item is medically necessary on the date of discharge, delivery is solely for fitting or training, the delivery is no earlier than 2-days prior to the discharge date, and the supplier ensures the beneficiary takes the item home or arranges for pickup, and delivery to the beneficiary's home on the date of discharge. Additional circumstances are on the next slide.

Slide 13: The item furnished by the supplier does not eliminate the facility's responsibility to provide medically necessary items for use while in the facility. The supplier does not claim payment for items prior to discharge, nor does the supplier claim payment for added cost for delivery to the home or for redelivery if necessary. And finally, the beneficiary's discharge must be to a qualified place of service but not to another facility that doesn't qualify as the beneficiary's home.

Slide 14: When hospice is elected, the beneficiary waives all rights to Medicare Part B payments for services related to the treatment and management of his/her illness. The intermediary will make payment on the claim. If claims are not related to the terminal illness, you should have a valid Hospice Election Statement on file. For a complete list of requirements for this document, see the CMS Benefit Policy Manual, Chapter 9, Section 20.2.1.2 (https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c09.pdf). Bill these claims to the DME MAC with the GW modifier to indicate the services are not related to hospice.

Slide 15: To assist suppliers with billing, the Consolidated Billing Tool on the CGS website will indicate if the HCPCS code entered is either included in the Part A stay, the code is payable in a skilled nursing facility once the Part A stay has ended, or the code is included in home health consolidated billing. The tool also provides details on when a HCPCS code is separately payable while enrolled in hospice.

- JB: https://cgsmedicare.com/medicare_dynamic/jb/consbill/consbill/index.aspx
- JC: https://cgsmedicare.com/medicare_dynamic/jc/consbill/consbill/index.aspx

Slide 16: Here are resources for today's edition of *To the Point*. Links to:

- **Supplier Manual, Chapter 6**
  - JB: https://www.cgsmedicare.com/jb/pubs/supman/index.html
  - JC: https://www.cgsmedicare.com/jc/pubs/supman/index.html
- **Consolidated Billing Tool**
  - JB: https://www.cgsmedicare.com/medicare_dynamic/jb/consbill/consbill/index.aspx
  - JC: https://www.cgsmedicare.com/medicare_dynamic/jc/consbill/consbill/index.aspx
- **HCPCS Codes Excluded from Consolidated Billing**
  - https://www.cms.gov/medicare/coding-billing/skilled-nursing-facility-snf-consolidated-billing
- **Home Health Consolidated Billing Master Code List**
  - https://www.cms.gov/medicare/payment/prospective-payment-systems/home-health/coding-and-billing-information

Slide 17: Thank you for viewing *To the Point* on consolidated billing. We hope you will join us again for other educational offerings by the Provider Outreach and Education Department here at CGS.

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