To: Medicare Advantage Providers

RE: Skilled Nursing Facility (SNF) - Reporting of Skilled Days

The Centers for Medicare and Medicaid Services (CMS) maintains a record of all inpatient services for each beneficiary, whether covered or not. The information is used for national healthcare planning and enables CMS to keep track of the beneficiary's benefit period.

**Submitting bills and no-pay bills to the Fiscal Intermediary (FI)**

Skilled Nursing Facilities (SNF) are required to:
- Submit a bill for a beneficiary that has started a spell of illness under the SNF Part A benefit for every month of the related stay even though no benefits may be payable.
- Submit no payment bills to the FI for beneficiaries that have previously received Medicare-covered skilled care and are subsequently changed to a non-covered level of services, but continue to reside in a Medicare-certified area of the facility.

**Reporting of SNF days is required when:**

- The beneficiary has exhausted his/her 100 covered days under the Medicare SNF benefit (referred to as benefits exhaust bills).
- The beneficiary no longer needs a Medicare covered level of care (referred to as no-payment bills).

Providers may bill benefits exhaust and no payment claims using the default HIPPS Code AAA00 in addition to an appropriate room & board revenue code only. No further ancillary services need to be billed on these claims.

A SNF must submit a benefits exhaust bill monthly for those patients that continue to receive skilled care and when there is a change in the level of care regardless of whether the benefits exhaust bill will be paid by Medicaid, a Supplemental insurer or private payer.

For specific guidelines, see Chapter 6, section 40.8, Skilled Nursing Facility Inpatient Part A billing for No Payment and Medicare Advantage Claims.

**The two types of benefit exhaust claims are:**

- Full benefits exhaust claims: no benefit days remain in the beneficiary's applicable benefit period for the submitted statement covers from/through date of claim.
- Partial benefits exhaust claims: only one or some benefit days, in the beneficiary's applicable benefit period remain for the submitted statement covers from/through date of claim.
No-payment bills are not required for non-skilled beneficiary admissions. As indicated above, they are only required for beneficiaries that have previously received covered care and subsequently dropped to non-covered care and continue to reside in the certified area of the facility.

**Consolidated billing requirements**

Consolidated Billing (CB) legislation indicates that physical therapy, occupational therapy, and speech language pathology services furnished to SNF residents are always subject to SNF CB. This applies even when a resident receives the therapy during a non-covered stay in which the beneficiary who is not eligible for Part A extended care benefit still resides in an institution (or part there of) that is Medicare-certified as a SNF.

If a facility has a separate, distinct non-skilled area or wing then beneficiaries may be discharged to this area using the appropriate patient discharge status code and no payment bills would not be required. In addition, SNF CB legislation for therapy services would not apply for these beneficiaries.

**Skilled Nursing Facility (SNF) Reporting Resources:**

⇒ To see the official instruction, CR5840, issued to your Medicare FI or A/B MAC, go to [http://www.cms.hhs.gov/Transmittals/downloads/R1394CP.pdf](http://www.cms.hhs.gov/Transmittals/downloads/R1394CP.pdf) on the CMS website.


If you have questions or inquiries about this communication or other Medicare Advantage related information, please visit our website at [empireblue.com](http://empireblue.com) or contact us at the customer service number located on the member’s ID card.
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Submitting bills and no-pay bills to the Fiscal Intermediary (FI)

Skilled Nursing Facilities (SNF) are required to:
  o Submit a bill for a beneficiary that has started a spell of illness under the SNF Part A benefit for every month of the related stay even though no benefits may be payable.
  o Submit no payment bills to the FI for beneficiaries that have previously received Medicare-covered skilled care and are subsequently changed to a non-covered level of services, but continue to reside in a Medicare-certified area of the facility.

Reporting of SNF days is required when:
  o The beneficiary has exhausted his/her 100 covered days under the Medicare SNF benefit (referred to as benefits exhaust bills).
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