



MEDICAL BILLING Update

CMS COVID-19 Waiver for Skilled Nursing Care

Retroactive to March 1, 2020, CMS has instituted a blanket waiver temporarily waiving the requirement for a 3-Day Qualifying Hospital Stay to qualify for skilled care in a skilled nursing facility. Providers must report a condition code “DR” and remarks “Disaster Related” on claims related to this emergency waiver in order for the claim to process without a qualifying hospital stay.

In addition, this waiver authorizes renewed SNF coverage for beneficiaries who had previously exhausted their SNF benefits without first having to reset a new benefit period. Beneficiaries would be eligible for another 100 days of skilled nursing care. This would also reset the PDPM Variable Per Diem Adjustment to day one. This waiver is eligible only to beneficiaries affected by the emergency who are admitted to a SNF. This would not apply to beneficiaries who are receiving ongoing skilled care in a SNF that is unrelated to the emergency. [CMS published an updated MLN Matters related to these waivers...](#)

In order to bill for the Benefit Period waiver, providers must:

- Submit a final discharge claim with patient status 01;
- Readmit the beneficiary (Day 101) to start the benefit period waiver;
- Include condition code DR;
- Include condition code 57 to bypass the edits related to the 3-day stay; and
- Include COVID100 in the remarks

CMS has recently updated their COVID-19 FAQ document to further clarify a common question regarding the COVID-19 diagnosis. CMS has stated that “a COVID-19 diagnosis would not in and of itself automatically serve to qualify a beneficiary for coverage under the Medicare Part A SNF benefit.” SNF coverage isn’t based on particular diagnoses or medical conditions, but rather on whether the beneficiary meets the statutorily-prescribed SNF level of care definition of needing and receiving skilled services on a daily basis...” [CMS COVID-19 FAQ can be found here...](#)

RKL strongly encourages SNFs to consider the reason for skilled care prior to utilizing the Medicare Part A SNF benefit. Diagnosis of COVID-19 alone would not be enough to substantiate to Medicare the reason for skilled care. The 3-Day Qualifying Hospital Stay and the 100-day benefit waivers are the only technical requirements to a new skilled admission that CMS has waived and the beneficiary must meet all other technical and medical eligibility. RKL also strongly encourages SNFs to have a physician provide reasoning for utilizing the 3-Day Qualifying Hospital Stay waiver or the Benefit Period waiver as CMS may enact post-payment reviews on waiver-related claims.

PDPM Billing Refresher

The PDPM reimbursement methodology utilizes five components for payment. These components include Physical Therapy, Occupational Therapy, Speech-Language Pathology, Nursing and Non-Therapy Ancillaries (NTA). The HIPPS score is comprised of these five components and is calculated based on the resident’s MDS assessment. Medicare now reimburses for SNF care based on this calculated HIPPS score. As such, it is extremely important that SNFs are capturing all ancillary charges and relevant diagnosis codes on their Medicare Part A claims to substantiate the HIPPS score. Medicare may flag claims that were billed for audits if the claim is unable to substantiate the ancillaries or diagnoses that contributed to the score. Ancillaries include but are not limited to Physical Therapy, Occupational Therapy, Speech-Language Pathology, Pharmacy, Labs, Oxygen, Transportation, Radiology and Supplies. [Additional CMS PDPM resources can be found here...](#)

Temporary Suspension of 2% Medicare Sequestration

Section 3709 of the CARES Act suspends the two percent sequestration reduction in payment for claims with dates of service between May 1, 2020 and December 31, 2020. Hospitals, physicians, skilled nursing facilities, home health agencies and other Medicare providers will have a temporary increase in payments during this time period. [Read the official MLN Connects here...](#)

RKL is acutely aware of the serious strain the COVID-19 emergency has had on skilled nursing providers. Any providers who are experiencing difficulty navigating the ever-changing waivers, experiencing issues with cash flow or have questions regarding the clinical aspect of the COVID-19 emergency are encouraged to contact an RKL Senior Living Partner – [Stefanie Knaub](#), [Stephanie Kessler](#) or [Jeffrey Boland](#) – for assistance.



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