



Related MLN Matters Article #: MM4246

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### *Nursing Facility Services (Codes 99304 - 99318)*

#### Key Words

CR4246, MM4246, SE0418, Visit, Setting, Payment, Delegation, SNF, NF, E/M, NPP, AMA, 99304, 99306, 99307, 99310, 99315, 99316, 99318, 99301, 99303

#### Provider Types Affected

Physicians and non-physician practitioners (NPPs) and physicians

#### Key Points

- The effective date of the instruction is January 1, 2006.
- The implementation date is no later than January 23, 2006.
- CR4246 clarifies the policy for the delegation of the initial visit in the Nursing Facility (NF) setting:
  - The initial visit in both skilled nursing facilities (SNFs) and NFs is defined (per the Survey and Certification memorandum (S&C-04-08, dated November 13, 2003) as the initial comprehensive assessment visit during which the physician completes a thorough assessment, develops a plan of care, and writes or verifies admitting orders for the nursing facility resident.
  - It must occur no later than 30 days after admission.
  - In the SNF setting, the physician must perform this initial visit.
  - In the NF setting, a qualified NPP, not employed by the NF, may perform the initial visit when permitted by state law, and when (as in all Evaluation & Management visits) the NPP meets all Medicare and physician collaboration and supervision requirements, and the service falls within the scope of practice and licensure for the state where the service occurs. (Physician assistants, additionally, must meet the general physician supervision requirement as well as employer billing requirements.)
- In the SNF setting, after the initial visit by the physician, physicians may delegate alternating federally mandated physician visits to qualified NPPs (whether they are employed or not by the SNF).
- Qualified NPPs in the NF setting, who are not employed by the NF, may, at the option of the state, perform federally mandated physician visits including the initial visit.
- CR4246 also clarifies physician delegation of medically necessary visits to qualified NPPs in the SNF and NF settings:

- In both of these settings, if all the requirements for collaboration, physician supervision, licensure, and billing are met, qualified NPPs may perform medically necessary evaluation and management (E/M) visits (those visits necessary for the diagnosis or treatment of an illness or injury or to improve the functioning of a malformed body member) prior to, and after, the physician's initial visit.
- General physician supervision and employer billing requirements will be met for physician assistant (PA) services.
- The PA must also meet the state scope of practice and licensure requirements where the E/M visit is performed.
- Medically necessary E/M visits are payable under the physician fee schedule under Medicare Part B.
- The federally mandated E/M visit may serve also as a medically necessary E/M visit if the situation arises (i.e., the patient has health problems that need attention on the day the scheduled mandated physician E/M visit occurs). The physician or qualified NPP shall report only one E/M visit.
- CR4246 also revises the Medicare Claims Processing Manual, Pub.100-04, Chapter 12, Section 30.6.13, with new code changes made by the American Medical Association (AMA) Current Procedural Terminology (CPT) 2006 for services reported in a nursing facility:
  - Beginning January 1, 2006, CPT codes for reporting the initial nursing facility care and subsequent nursing facility care are deleted and replaced by new ones.
- The new codes that physicians and qualified NPPs should use for SNF and NF visits are as follows:
  - CPT Codes 99304-99306 – Initial Nursing Facility Care
    - As of January 1, 2006, CPT codes 99304-99306 (Initial Nursing Facility Care, per day) shall be used to report the initial visit. CPT codes 99301-99303 are deleted after 12/31/05.
  - Codes 99307-99310 – Subsequent Nursing Facility Care
    - Codes 99307-99310 (Subsequent Nursing Facility Care, per day) shall be used to report federally mandated physician visits and other medically necessary visits. These codes are effective January 1, 2006, and replace codes 99311-99313, which are deleted after 12/31/05.
  - Codes 99315-99316 – Discharge Day Management Service
    - Codes 99315-99316 (Discharge Day Management Service) shall be used to report the physician or NPP's face-to-face visit with the patient to meet the SNF/NF discharge day management service requirement. Report the visit as the actual date of the visit even if the patient is discharged from the facility on a different calendar date.
  - Code 99318 – Other Nursing Facility Service
- Code 99318 (Other Nursing Facility Service) shall be used to report an annual nursing facility assessment visit on the required schedule of visits if an annual assessment is performed.
  - Medicare will pay for E/M visits, prior to and after the initial physician visit, that are reasonable and medically necessary to meet the medical needs of the individual resident (unrelated to any state requirement or administrative purpose), but will not pay for additional visits that may be required by state law for an admission or for other additional visits to satisfy facility or other administrative purposes.

- A physician (or qualified NPP, where permitted, as discussed above) who is employed by the SNF/NF may perform the E/M visits and bill independently to Medicare Part B for payment, or may reassign payment for his/her professional service to the facility. However, a PA's employer must always report the visits that the PA performs.
- As with all E/M visits for Medicare Part B payment policy, the E/M documentation guidelines apply.
- The Prolonged Services (CPT codes 99354-99357) shall not be reported with Nursing Facility Services beginning January 1, 2006 until further notice. The new AMA CPT codes do not have typical/average time units established.
- E/M visits for counseling/coordination of care, for Nursing Facility Services, that are time-based must be billed based on the key components of an E/M service (history, exam and medical decision making) until the AMA CPT creates typical/average time units for the Nursing Facility Services.
- "Incident to" E/M visits, provided in a facility setting, are not payable under the Physician Fee Schedule for Medicare Part B. Where a physician establishes an office in a facility, the "Incident to" E/M visits and requirements are confined to this discrete part of a SNF/NF designated as his/her office. The place of service (POS) on the claim should be "office" (POS 11).
- Thus, visits performed outside the designated "office" area in the SNF/NF are subject to SNF/NF setting coverage and payment rules and shall not be reported using the CPT codes for office or other outpatient visits or use POS code 11.
- "Gang visits" (claims for an unreasonable number of daily E/M visits by the same physician to multiple residents at a facility within a 24-hour period) may result in medical review to determine medical necessity for the visits.
- The complexity level of an E/M visit and the CPT code billed must be a covered and medically necessary visit for each patient. The E/M visit (Nursing Facility Services) represents a "per day" service per patient as defined by the CPT code. The physician or qualified NPP who performed the E/M visit must personally document the service in the medical record, and the documentation should support the specific level of E/M visit to each individual patient.
- Split/shared E/M visits cannot be reported in the SNF/NF setting. A split/shared visit is defined as a medically necessary patient encounter in which the physician and a qualified NPP each personally perform a substantive portion of an E/M visit (all or some portion of the history, exam or medical decision making key components of an E/M service) face-to-face with the same patient on the same date of service.
- A split/shared E/M service applies only to selected E/M visits and settings (i.e., hospital inpatient, hospital outpatient, hospital observation, emergency department, hospital discharge, office and non-facility clinic visits, and prolonged visits associated with these E/M visit codes).

### Important Links

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM4246.pdf>

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