DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

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Kathleen M. Wilson, M.A.
Director of Government Affairs
Joanna Shoffner, M.A.
Health Policy Analyst
American Medical Directors Association
10480 Little Patuxent Parkway, Suite 760
Columbia, Maryland 21044

Dear Ms. Wilson and Ms. Shoffner:

This is in response to your inquiry to Marjorie Kanof, M.D., concerning payment policy regarding nursing facility issues that were discussed in *Part B News*. You are asking for confirmation and/or clarification of these issues.

You state the article alluded to the appropriateness of billing a nursing facility discharge service (CPT codes 99315 or 99316) if the patient who resides in the facility expires in the facility. These codes can be billed when a patient dies in the facility. The American Medical Association (AMA) CPT definition of a facility discharge service (either hospital or nursing facility) states these two codes are to be used to report the total time spent by a physician for the final discharge of a patient. A face-to-face encounter is not specifically required at discharge. Discharge planning often begins when the patient enters a facility. It may be reported whether or not the patient was seen at the actual time of discharge, or in this case, when the physician pronounces the death confirmation. Individual carriers may have a local policy which further defines the discharge service, e.g., to require that the patient's remains are still at the facility for pronouncement and have not been transferred to the mortuary.

The second issue involves the question of which place of service (POS) code to use for reporting a physician service provided to a patient in a Part A skilled nursing facility (SNF) stay and which POS code to use when the patient is not in a Part A SNF stay. POS code 31 should be used for physician services performed in a nursing facility when the patient is covered by a Part A SNF stay; otherwise, use POS code 32.

The reason for this difference in POS coding is that under the physician fee schedule, separate practice expense relative value units (RVU) are calculated for procedures furnished in facility and non-facility settings. A SNF is classified as a facility when Medicare makes a separate Part A payment. Otherwise, a nursing facility is classified as a non-facility for purposes of

determining physician payments. The higher non-facility practice expense RVUs apply when a beneficiary is treated in a site such as a nursing facility where there is no separate Part A SNF payment for facility services. In this circumstance, the payment reflects that the physician incurs all practice expenses.

I hope this information clarifies your concerns. Please contact Kit Scally at (410) 786-5714 if you need more information. Thank you for your interest in the Medicare program.

Sincerely,

Thomas L. Grissom