

6.7 SNF PPS Policies

Requirements and policies for SNF PPS are described in greater detail in Chapter 8 of the **Medicare Benefit Policy Manual** (<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/bp102c08pdf.pdf>). There are some situations that the SNF may encounter that may impact Medicare Part A SNF coverage for a resident, affect the PPS assessment schedule, or impact the reimbursement received by the SNF.

Delay in Requiring and Receiving Skilled Services (30-Day Transfer)

There are instances in which the resident does not require SNF level of care services when initially admitted to the SNF. When the resident requires and receives SNF level of care services within 30 days from the hospital discharge, Day 1 for the PPS assessment schedule is the day on which SNF level of care services begin. For example, if a resident is discharged from the hospital on August 1 and the SNF determines on August 30 that the resident requires skilled service for a condition that was treated during the qualifying hospital stay, then the SNF would start the PPS assessment schedule with a 5-Day PPS assessment, with August 30 as Day 1 for scheduling purposes. However, if the resident requires and receives a SNF level of care 31 or more days after the hospital discharge, the resident does not qualify for a SNF Part A stay (see Medical Appropriateness Exception below).

Medical Appropriateness Exception (Deferred Treatment)

An elapsed period of more than 30 days is permitted for starting SNF Part A services when a resident's condition makes it inappropriate to begin an active course of treatment in a SNF immediately after a qualifying hospital stay discharge. It is applicable only where, under accepted medical practice, the established pattern of treatment for a particular condition indicates that a covered level of SNF care will be required within a predeterminable time frame, and it is medically predictable at the time of hospital discharge that the resident will require SNF level of care within a predetermined time period (for more detailed information see Chapter 8 of the **Medicare Benefit Policy Manual**). For example, a resident is admitted to the SNF after a qualifying hospital stay for an open reduction and internal fixation of a hip. It is determined upon hospital discharge that the resident is not ready for weight-bearing activity but will most likely be ready in 4-6 weeks. The physician writes an order to start therapy when the resident is able to tolerate weight bearing. Once the resident is able to start therapy, the Medicare Part A stay begins, and the 5-Day assessment will be performed. Day 1 of the stay will be the first day on which the resident starts therapy services.

Interrupted Stay

An "interrupted" SNF stay is defined as one in which a resident is discharged from SNF care and subsequently readmitted to the same SNF (not a different SNF) within 3 days or less after the discharge (the "interruption window").

The interruption window is a 3-day period, starting with the calendar day of Part A discharge and including the 2 immediately following calendar days, ending at midnight. In other words, the resident must return to the same SNF by 11:59 p.m. at the end of the third calendar day. The

interruption window begins on the first non-covered day following a Part A-covered stay and ends at 11:59 p.m. on the third consecutive non-covered day following a Part A-covered stay.

If both conditions are met, the subsequent stay is considered a continuation of the previous Medicare Part A stay for the purposes of both the variable per diem schedule and the assessment schedule. The variable per diem schedule continues from the day of the previous discharge. For example, if the resident was discharged on Day 7, payment rates resume at Day 7 upon readmission. The assessment schedule also continues from the day of the previous discharge. Thus, no new 5-Day assessment is required upon the subsequent readmission, although the optional IPA may be completed at clinician's discretion.

If a resident is readmitted to the same SNF more than 3 consecutive calendar days after discharge, OR in any instance when the resident is admitted to a different SNF (regardless of the length of time between stays), then the Interrupted Stay Policy does not apply, and the subsequent stay is considered a new stay. In such cases, the variable per diem schedule resets to Day 1 payment rates, and the assessment schedule also resets to Day 1, necessitating the completion of a new 5-Day assessment.

Example 1: Resident A is admitted to the SNF on 11/07/19. They are admitted to a hospital on 11/20/19. They return to the same SNF on 11/25/19. Because Resident A is readmitted to the same SNF more than three calendar days after discharge, this would be considered a new stay. The assessment schedule would be reset to Day 1, beginning with a new 5-Day assessment, and the variable per diem schedule would begin from Day 1.

Example 2: Resident B is admitted to the SNF on 11/07/19. They are admitted to the hospital on 11/20/19. They are admitted to a different SNF on 11/22/19. Because Resident B is admitted to a different SNF, this would be considered a new stay. The assessment schedule would be reset, beginning with a new 5-Day assessment, and the variable per diem schedule would begin from Day 1.

Example 3: Resident C is admitted to the SNF on 11/07/19. They are admitted to a hospital on 11/20/19. They return to the same SNF on 11/22/19. Because Resident C is admitted to the same SNF within three days from the point of discharge, this would be considered a continuation of the previous stay. No 5-Day assessment would be required upon readmission, though the IPA would be an option. Additionally, the variable per diem would continue from Day 14 (Day of Discharge).

Resident Discharged from Part A Skilled Services and Returns to SNF Part A Skilled Level Services

In the situation in which a resident is discharged from SNF Medicare Part A services and later requires SNF Part A skilled level of care services, and it is not an instance of an interrupted stay (as described above), the resident may be eligible for Medicare Part A SNF coverage if the following criteria are met:

1. Less than 30 days have elapsed since the last day on which SNF level of care services were required and received,

2. SNF-level services required by the resident are for a condition that was treated during the qualifying hospital stay or for a condition that arose while receiving care in the SNF for a condition for which the beneficiary was previously treated in the hospital,
3. Services must be reasonable and necessary,
4. Services can only be provided on an inpatient basis,
5. Resident must require and receive the services on a daily basis, and
6. Resident has remaining days in the SNF benefit period.

For greater detail, refer to the **Medicare Benefit Policy Manual**, Chapter 8.