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SPECIAL EDITION

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News

CMS Updates Medicare Payment Policies for IPFs, SNFs, and Hospices
COVID-19: Coverage of Physician Telehealth Services Provided to SNF Residents

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CMS Updates Medicare Payment Policies for IPFs, SNFs, and Hospices

On July 31, CMS finalized three Medicare payment rules that further advance our efforts to strengthen the Medicare program by better aligning payments for Inpatient Psychiatric Facilities (IPFs), Skilled Nursing Facilities (SNFs), and hospices.

Inpatient Psychiatric Facilities:

The final rule updates Medicare payment policies and rates for the IPF Prospective Payment System (PPS) for FY 2021. In this final rule, CMS is finalizing a 2.2 percent payment rate update and finalizing its proposal to adopt revised Office of Management and Budget (OMB) statistical area delineations resulting in wage index values being more representative of the actual costs of labor in a given area. CMS is finalizing updates to allow advanced practice providers, including physician assistants, nurse practitioners, psychologists, and clinical nurse specialists to operate within the scope of practice allowed by state law by documenting progress notes in the medical record of patients for whom they are responsible, receiving services in psychiatric hospitals.

Skilled Nursing Facilities:

The final rule updates the Medicare payment rates and the quality programs for SNFs. These updates include routine technical rate-setting updates to the SNF PPS payment rates, as well as finalizes adoption of the most recent OMB statistical area delineations and applies a 5 percent cap on wage index decreases from FY 2020 to FY 2021. CMS is also finalizing changes to the ICD-10 code mappings that would be effective beginning in FY 2021 in response to stakeholder feedback. CMS projects aggregate payments to SNFs will increase by \$750 million, or 2.2 percent, for FY 2021, compared to FY 2020.

Hospices:

For FY 2021, hospice payment rates are updated by the market basket percentage increase of 2.4 percent (\$540 million). Hospices that fail to meet quality reporting requirements receive a 2 percentage point reduction to the annual market basket percentage increase for the year. The hospice payment system includes a statutory aggregate cap. The aggregate cap limits the overall payments made to a hospice annually. The final hospice cap amount for the FY 2021 cap year is \$30,683.93, which is equal to the FY 2020 cap amount (\$29,964.78) updated by the final FY 2021 hospice payment update percentage of 2.4 percent.

For More Information:

- IPF [Final Rule](#) and [Fact Sheet](#)
- SNF [Final Rule](#) and [Fact Sheet](#)
- Hospice [Final Rule](#) and [Fact Sheet](#)

COVID-19: Coverage of Physician Telehealth Services Provided to SNF Residents

The current COVID-19 Public Health Emergency (PHE) does not waive any requirements related to Skilled Nursing Facility (SNF) Consolidated Billing (CB); however, CMS added CPT codes 99441, 99442 and 99443, to the [list of telehealth codes](#) coverable under the waiver during the COVID-19 PHE. These codes designate three different time increments of telephone evaluation and management service provided by a physician. You can bill for these physician services separately under Part B when furnished to a SNF's Part A resident.

Medicare Administrative Contractors (MACs) will reprocess claims for CPT codes 99441, 99442 and 99443 with dates of service on or after March 1, 2020, that were denied due to SNF CB edits. You do not have to do anything. If you already received payment from the SNF for these physician services, return that payment to the SNF once the MAC reprocesses your claim.

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