SKILLED NURSING FACILITY

GENERAL INFORMATION

I. BCBSM’s Skilled Nursing Facility Programs

Traditional

Participation in Blue Cross Blue Shield of Michigan’s (BCBSM) Traditional Skilled Nursing Facility (SNF) program is on a formal basis only. Services provided in a non-participating SNF are not reimbursed by BCBSM to either the facility or the member.

The following information applies to facilities that want to participate in BCBSM’s network for members enrolled in our Traditional product. The SNF may be hospital-based or freestanding (non-hospital owned). BCBSM members who have the Convalescent and Long Term Care or SNF benefit are eligible to receive care at a participating skilled nursing facility. Please note, however, that members enrolled in non-Medicare BCBSM’s PPO and Point of Service products (e.g., Community Blue PPO, Blue Preferred PPO, Blue Preferred Plus PPO, Blue Choice POS, etc.) use the BCBSM Traditional network unless a separate network for SNF services has been established for those members. Members of other Blue Cross Blue Shield (BCBS) Plans also use the Traditional network when receiving service in Michigan. Members must have a benefit for SNF care and must have SNF care days available. Services must meet the member’s benefit criteria to be payable (e.g., preauthorization). Because not all BCBSM or BCBS members have coverage for SNF services, member benefits and eligibility should always be verified before providing services.

Medicare Advantage PPO

Facilities that are Medicare certified as Skilled Nursing Facilities are eligible to apply for affiliation in the BCBSM Medicare Advantage PPO network which became effective January 1, 2010. To be in the MA PPO network, SNFs do not need to be participating in the Traditional network but must meet all of the same requirements for Traditional participation.

Medicare Supplemental

Patients who have primary coverage through Medicare may also have Medicare Supplemental coverage through BCBSM. This benefit, if available to the patient, may provide coverage for payment of applicable Medicare deductibles, copayments and/or for additional days of care. In general, the effective date of a facility’s eligibility for payment under the BCBSM Medicare Supplemental program coincides with the effective date of the facility’s Medicare certification as a Skilled Nursing Facility. This date most likely will be different than the facility’s BCBSM Traditional or MA PPO program participation effective dates. All Skilled Nursing Facilities that are approved for participation in our Traditional program are approved for Medicare Supplemental payments. Medicare certified Skilled Nursing Facilities are eligible to obtain a BCBSM facility code for the billing of covered Medicare Supplemental services even if the facility elects not to participate in BCBSM in our Traditional program. However, due to claims filing limitations, BCBSM will generally not assign a BCBSM Medicare Supplemental facility code with a retroactive effective date that exceeds a two year period.

II. BCBSM’s Skilled Nursing Facility Qualification Requirements for Traditional and MA PPO

Revised: July 2012
In order to participate with BCBSM a Skilled Nursing Facility must, at minimum, have and maintain the following:

- Licensure by the state of Michigan as a Nursing Home, Long Term Care facility, or as a Hospital Long Term Care Unit
- Medicare certification as a Skilled Nursing Facility
- Have an absence of inappropriate utilization or practice patterns as identified through valid subscriber complaints, medical necessity audits, peer review, and utilization management
- Have an absence of fraud and illegal activities
- Maintains adequate patient and financial records
- Cannot be a Medicare excluded entity

Note: It is BCBSM's policy to recredential participating providers every 2-3 years to verify continued compliance with all qualification requirements.

III. Skilled Nursing Facility Reimbursement

Participating SNFs are required to bill BCBSM for covered services and to accept BCBSM's payment as payment in full for covered services, except for any applicable member copayments and/or deductibles.

A. Traditional Freestanding (non-hospital owned and operated) Skilled Nursing Facilities

For Freestanding Skilled Nursing Facilities, Reimbursement is made only for covered services provided by a Skilled Nursing Facility that is approved and contracted by BCBSM. Reimbursement is limited to the lesser of the facility’s billed charge or the BCBSM maximum payment level. The maximum payment level for freestanding Skilled Nursing Facilities is a per diem payment and varies according to geographic area.

B. Traditional Hospital-Based (100% hospital owned and operated) Skilled Nursing Facilities

Reimbursement is made only for covered services provided by a Skilled Nursing Facility that is approved and contracted by BCBSM. The facility's reimbursement is determined by the parent hospital's peer group assignment as defined in Exhibit B of the Participating Hospital Agreement (PHA).

- A Skilled Nursing Facility that is owned and operated by a peer group 1-4 or peer group 6-7 hospital, is reimbursed using the hospital-specific cost to charge ratio established in accordance with Exhibit B of the PHA.
- A Skilled Nursing Facility that is owned and operated by a hospital that, for PHA purposes, is considered a peer group 5 hospital will be reimbursed at the same payment level established for the hospital's acute care services in accordance with Exhibit B of the PHA.

C. Medicare Advantage PPO (freestanding or hospital-based)

Reimbursement for SNFs that participate in the MA PPO network is made at the BCBSM Payment Rate(s) for the applicable service, less any applicable member copayments or deductibles. Out-of-network providers are reimbursed at the CMS payment rate(s) but the member will be subject to additional out-of-network copayments and/or deductibles which must be collected from the member.

IV. The BCBSM Participation Agreements

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The applicable (Traditional and/or MA PPO) Skilled Nursing Facility participation agreement(s) are available on the bcbsm.com SNF home web page. The Traditional agreement is also available as a link in the participation chapter of the provider manual on web-DENIS for those providers that already have web-DENIS access. The Traditional participation agreement is also on file with the Office of Financial and Insurance Regulation (OFIR). The payment rates and the terms and provisions of the Traditional and MA PPO agreements are not negotiable.

The applicable participation agreement signature documents for each BCBSM network/program being requested on the application are available on the SNF home web page and must be completed, signed and returned with a completed facility application form.

NOTE: This is general information only and is subject to change without notice. It does not constitute a provider agreement or manual and members’ benefit plans will vary.

After we review the application and accompanying documentation, we may contact the designated representative of the facility to set up an appointment for an on-site visit. The on-site visit includes a review of a sample of medical records to evaluate the applicant’s compliance with BCBSM requirements, as outlined in this application. The facility must be ready for the on-site review at the time of submitting the application. If the facility is approved for Traditional and/or MA PPO program participation, the appropriate notification will be issued. If the facility is not approved, we will send notification in writing indicating the reason(s) for the denial.

The facility may not submit claims and is not eligible for reimbursement unless and until the facility’s application for participation is approved by BCBSM and BCBSM has issued a signed letter of approval to the facility for the networks requested. The effective date for the approved networks will be indicated in the approval letter sent to the facility. Effective dates are not retroactive to the date the application was submitted or received.

A separate BCBSM facility code is assigned to each approved and contracted location. With the implementation of National Provider Identifiers (NPI), BCBSM crosswalks the claims from the facility’s NPI to the BCBSM facility code (i.e., BCBSM’s internal identifier) for processing. Therefore, BCBSM recommends obtaining one NPI (in accordance with federal guidelines), for each location and provider type. Federal guidelines also allow for an NPI to be obtained for unique combinations of tax ID, location and taxonomy (specialty) codes.

Upon completion of the application and contracting process, the facility will receive a welcome package with information on how to sign up for electronic billing and access to web-DENIS, BCBSM’s web-based information system for providers. Through web-DENIS the facility will have access to provider manuals, newsletters (e.g., The Record), and patient data such as contract eligibility and benefits. It is the facility’s responsibility to be familiar with and to adhere to all BCBCM billing and benefit requirements. It is also the responsibility of the facility to ensure its billing department (or billing agency) is compliant with all of BCBSM’s billing requirements.

Participating SNFs must bill BCBSM on a UB-04 claim form or its electronic equivalent. BCBSM no longer accepts facility paper claims (with a few exceptions). Facilities that would like more information about internet claims submission or that wish to bill electronically should contact BCBSM’s Electronic Data Input (EDI) Helpline at (800) 542-0945 for electronic billing information after their BCBSM facility code has been received.

Facilities that participate in the Traditional or MA PPO networks or that are eligible to receive Medicare Supplemental payments from BCBSM must notify BCBSM immediately of any change in the facility’s ownership, tax identification number, CMS certification status, CMS certification number, NPI, address, telephone number, etc.
**Multiple Locations**

If the facility is applying for participation (or an ownership change) for more than one location, each location must meet all requirements in order to be approved. A separate BCBSM provider code is issued for each approved location with a separate NPI. A separate application must be submitted for each location.