

 HAWAII HEALTH SYSTEMS C O R P O R A T I O N <i>"Touching Lives Everyday"</i> Policies and Procedures	Quality Through Compliance	Policy No.: FIN 0508
		Revision No.: N/A
Subject: Laboratory Services in Skilled Nursing Facilities	Issued by: Corporate Compliance Committee	Effective Date: September 15, 2000
	Approved by: Thomas M. Driskill, Jr. President & CEO	Supersedes Policy: N/A Page: 1 of 2

- I. **PURPOSE:** To bill for laboratory services that are provided in a skilled nursing facility (SNF) in accordance with Medicare, Medicaid, and other federally funded payor guidelines.
- II. **POLICY:** Laboratory services provided in a skilled nursing facility must be performed by a CLIA (Clinical Laboratory Improvement Act) certified laboratory and must be billed according to Medicare, Medicaid, and other federally funded payor guidelines.
- III. **PROCEDURE:** Laboratory services provided for skilled nursing facility patients must be billed according to the following guidelines. It is the responsibility of the Chief Financial Officer at each facility to guarantee adherence to this policy.
 - A. **Inpatient Part A SNF (Which Also Has Part B):**
 1. Laboratory services furnished by the SNF should be processed as follows:
 - The SNF should bill the Intermediary.
 - Services will be reimbursed under the SNF Prospective Payment System (PPS) or under Part A reasonable cost basis if the SNF has not transitioned to PPS.
 2. Laboratory services furnished under arrangements with a hospital that has a transfer agreement with a SNF should be processed as follows:
 - The hospital should bill the SNF.
 - The SNF should bill the Intermediary and services will be reimbursed under the SNF Prospective Payment System (PPS) or under Part A reasonable cost basis if the SNF has not transitioned to PPS.
 3. Laboratory services furnished by any other laboratory, including another SNF or hospital without a transfer agreement with the SNF should be processed as follows:
 - Only the laboratory that furnished the service can bill under Part B. However, if the SNF has transitioned to the Prospective Payment System and the beneficiary

is in a covered Part A stay, the entity providing the laboratory service should bill the SNF. The SNF will bill the Intermediary for the services.

B. SNF Inpatient, Part B Only (Applies to Patients with No Part B or Exhausted Part A):

1. Laboratory services furnished by a SNF should be processed as follows:
 - The SNF should bill the intermediary.
 - Payment will be made under Part B.
2. Laboratory services furnished under arrangements with a hospital that has a transfer agreement with a SNF should be processed as follows:
 - Only the laboratory that furnished the service should bill under Part B.
 - Payment is made to the laboratory according to the laboratory fee schedule.
3. Laboratory services furnished by any other laboratory, including another SNF or hospital without a transfer agreement with SNF should be processed as follows:
 - Only the laboratory that furnished the services can bill under Part B.
 - Payment is made to the laboratory according to the laboratory fee schedule.

C. Implementation: All staff/physicians responsible for referring, registering, performing, and billing laboratory services will be educated on the contents of this policy.