

# MEDICAL POLICY

MEDICAL POLICY DETAILS	
Medical Policy Title	Skilled Nursing Facility Care / Level of Care Criteria
Policy Number	11.01.21
Category	Contract Clarification
Original Effective Date	12/07/06
Committee Approval Date	12/13/07, 02/26/09, 02/25/10, 02/24/11, 02/27/12, 02/28/13, 02/27/14, 02/26/15, 02/25/16, 04/27/17, 04/26/18, 02/28/19, 02/27/20, 02/25/21, 06/24/21, 02/17/22, 08/18/22, 08/17/23
Current Effective Date	08/17/23
Archived Date	N/A
Archive Review Date	N/A
Product Disclaimer	<ul style="list-style-type: none"> <li>• If a product excludes coverage for a service, it is not covered, and medical policy criteria do not apply.</li> <li>• If a commercial product (including an Essential Plan or Child Health Plus product), medical policy criteria apply to the benefit.</li> <li>• If a Medicaid product covers a specific service, and there are no New York State Medicaid guidelines (eMedNY) criteria, medical policy criteria apply to the benefit.</li> <li>• If a Medicare product (including Medicare HMO-Dual Special Needs Program (DSNP) product) covers a specific service, and there is no national or local Medicare coverage decision for the service, medical policy criteria apply to the benefit.</li> <li>• If a Medicare HMO-Dual Special Needs Program (DSNP) product DOES NOT cover a specific service, please refer to the Medicaid Product coverage line.</li> </ul>

**\*\*Additional coverage for MEDICAID MANAGED CARE/HARP MEMBERS is addressed at the end of this document\*\***

## POLICY STATEMENT

- I. Services rendered in a skilled nursing facility (SNF) are considered **medically appropriate** when **ALL** of the following criteria are met:
  - A. The patient requires skilled nursing or rehabilitation services that:
    1. must be performed by or under the supervision of professional or technical personnel; and
    2. are ordered by the patient's physician.
  - B. The patient requires skilled services on a daily basis (needed and received a minimum of five days per week).
  - C. Considering economy and efficiency, the daily skilled services can be provided only on an inpatient basis in a SNF.
  - D. The services are reasonable and necessary for the treatment of a patient's presenting condition, illness or injury.
  - E. The services are reasonable in terms of duration and quantity.
- II. The determination of medical necessity of a current or proposed level of SNF care is subject to the following:
  - A. **Level I Skilled Nursing Facility (SNF) Care (Revenue Code 191)** has been medically proven to be effective and, therefore, is considered **medically appropriate** when **ALL** of the following criteria are met:
    1. The patient requires skilled nursing services at least daily *or* skilled therapy for at least one hour but less than two hours per day at least five days per week; **AND**
    2. The patient's illness, injury, or exacerbation began no more than 30 days earlier, or the patient was discharged from an inpatient facility, and one or more of the following conditions are present:

**Medical Policy: Skilled Nursing Facility Care/Level of Care Criteria**

**Policy Number: 11.01.21**

**Page: 2 of 6**

- a. Cardiovascular or peripheral vascular condition, with either:
    - i. dyspnea; or
    - ii. hypoxia on room air within three days prior to admission;
  - b. Diabetes with uncontrolled blood sugar;
  - c. Gastrointestinal (GI) or genitourinary (GU) condition with at least one of the following:
    - i. hepatic encephalopathy, Stage II; or
    - ii. inadequate oral intake; or
    - iii. persistent diarrhea; or
    - iv. malnutrition;
  - d. Malignant or end-stage disease;
  - e. Uncontrolled pain;
  - f. Alteration in skin integrity due to pressure injury or wound requiring parenteral anti-infective or wound care; or
  - g. Functional limitation requiring therapy services with at least one discipline, one to two hours per day for five days or more per week, due to one or both of the following:
    - i. impairment (new) requiring at least minimum or extensive assistance; and/or
    - ii. rehabilitation potential based on prior level of function, with expectation for clinical or functional improvement; **AND**
3. Treatment is precluded at a lower level of care due to one or more of the following:
- a. Clinical complexity or existing debility makes care at home unsafe; or
  - b. Patient is cognitively unable to manage care, and no caregiver is available; or
  - c. Home environment is not conducive to care; or
  - d. Services are unavailable to patient through home care or as an outpatient.
- B. Level II Subacute Care (SAC) (Revenue Code 192)** has been medically proven to be effective and, therefore, is considered **medically appropriate** when **ALL** of the following criteria are met:
1. The patient requires skilled nursing services more than two hours per day *or* skilled therapy two to three hours per day, or a combination of skilled nursing and skilled therapy two to three hours per day at least five days per week; **AND**
  2. The patient's illness, injury, or exacerbation began no more than 30 days earlier, or the patient was discharged from an inpatient facility, and one or more of the following conditions are present:
    - a. Cardiovascular or peripheral vascular, with either:
      - i. dyspnea; or
      - ii. hypoxia on room air within three days prior to admission;
    - b. Gastrointestinal (GI) or genitourinary (GU) condition with at least one of the following:
      - i. hepatic encephalopathy, Stage II; or
      - ii. inadequate oral intake; or
      - iii. persistent diarrhea; or
      - iv. malnutrition;
    - c. Uncontrolled pain;
    - d. Transplant recipient less than or equal to thirty days or transplant candidate in lieu of continued acute hospitalization when at least one of the following criteria are met:
      - i. pre-transplant (heart, lung, liver, bone marrow, or small bowel); or
      - ii. Oxygen saturation less than 89 percent; or
      - iii. symptomatic bone marrow disorder; or
      - iv. post-transplant (renal, heart, lung, liver, bone marrow, small bowel, or pancreas);
    - e. Alteration in skin integrity due to burn, pressure injury or wound requiring parenteral anti-infective or wound care; or
    - f. Functional limitation requiring therapy services with at least one discipline, two hours to three hours per day for five days or more per week, due to one or both of the following:
      - i. impairment (new) requiring at least minimum or extensive; and/or

**Medical Policy: Skilled Nursing Facility Care/Level of Care Criteria**

**Policy Number: 11.01.21**

**Page: 3 of 6**

- ii. rehabilitation potential based on prior level of function, with expectation for clinical or functional improvement; **AND**
  3. Treatment is precluded in a lower level of care due to one or more of the following:
    - a. Clinical complexity or existing debility makes care at home unsafe; or
    - b. Cognitive inability to manage care and no caregiver available; or
    - c. Home environment not conducive to care; or
    - d. Services unavailable through home care or outpatient.
- C. **Level III Medically Complex Care (MCC) (Revenue Code 193)** has been medically proven to be effective and, therefore, is considered **medically appropriate** when **ALL** of the following criteria are met:
  1. The patient requires skilled nursing services at least four hours per day *and* skilled therapy two to three hours per day at least five days per week; **AND**
  2. The patient's illness, injury, or exacerbation began no more than 30 days earlier, or the patient was discharged from an inpatient facility, and one or more of the following conditions are present:
    - a. Cardiovascular or peripheral vascular condition, with either:
      - i. dyspnea; or
      - ii. hypoxia on room air within three days prior to admission;
    - b. Gastrointestinal (GI) or genitourinary (GU) condition with at least one of the following:
      - i. hepatic encephalopathy, Stage II; or
      - ii. inadequate oral intake; or
      - iii. persistent diarrhea; or
      - iv. malnutrition;
    - c. Hematologic or oncologic disease;
    - d. Infection requiring anti-infective;
    - e. Uncontrolled pain;
    - f. Transplant recipient less than or equal to thirty days or transplant candidate in lieu of continued acute hospitalization when at least one of the following criteria are met:
      - i. pre-transplant (heart, lung, liver, bone marrow, or small bowel); or
      - ii. Oxygen saturation less than 89 percent; or
      - iii. symptomatic bone marrow disorder; or
      - iv. post-transplant (renal, heart, lung, liver, bone marrow, small bowel, or pancreas);
    - g. Alteration in skin integrity due to burn, pressure injury or wound requiring parenteral anti-infective or wound care; or
    - h. Functional limitation requiring therapy services with at least one discipline two hours to three hours per day for five days or more per week, due to one or both of the following:
      - i. impairment (new) requiring at least minimum or extensive; and/or
      - ii. rehabilitation potential based on prior level of function, with expectation for clinical or functional improvement; **AND**
  3. Treatment is precluded in a lower level of care due to one or more of the following:
    - a. Clinical complexity or existing debility makes care at home unsafe; or
    - b. Cognitive inability to manage care and no caregiver available; or
    - c. Home environment not conducive to care; or
    - d. Services unavailable through home care or outpatient.
- D. Based upon our criteria, **Revenue Code 194** will be used to reflect **Ventilator and/or Traumatic Brain Injury (TBI) Level of Care**. Admission for ventilator and/or TBI Level of Care is **medically appropriate** when **ALL** of the following criteria are met:
  1. Medical necessity criteria for Level of Care (Revenue Codes 191, 192 or 193) (*refer to Policy Statement II.A.-II.C.*); **AND**
  2. Meets medically complex criteria relating to ventilator management or weaning and/or brain injury (Current InterQual criteria, LOC: Inpatient Rehabilitation Subacute Rehabilitation).

*Refer to Corporate Medical Policy #11.01.11 Comfort, Convenience, Custodial and Cosmetic Care*

**Medical Policy: Skilled Nursing Facility Care/Level of Care Criteria**

**Policy Number: 11.01.21**

**Page: 4 of 6**

**POLICY GUIDELINES**

- I. Treatment must be reasonable and necessary based upon the patient’s clinical status, as determined by the Minimum Data Set (MDS) assessment.
- II. Care that is strictly custodial in nature is considered not medically necessary.

**DESCRIPTION**

Skilled nursing facility care is a level of care that must be ordered by a doctor and must be given or supervised by licensed health care professionals. It may be skilled nursing care, or skilled rehabilitation services, or both. Skilled nursing care includes services that require the skills of a licensed nurse to perform or supervise. Skilled rehabilitation services include physical therapy, speech therapy, and occupational therapy.

The Health Plan considers direct admission to an appropriate level of care facility (e.g., SNF) to be desirable for patients presenting to either a physician’s office or emergency room, when it would be considered unsafe for the patient to return to the patient’s place of residence; the patient does not meet criteria for admission to an acute care hospital inpatient setting; and the criteria for coverage of the admission to the appropriate level of care facility (e.g., SNF) are met.

**CODES**

- *Eligibility for reimbursement is based upon the benefits set forth in the member’s subscriber contract.*
- *CODES MAY NOT BE COVERED UNDER ALL CIRCUMSTANCES. PLEASE READ THE POLICY AND GUIDELINES STATEMENTS CAREFULLY.*
- *Codes may not be all inclusive as the AMA and CMS code updates may occur more frequently than policy updates.*
- *Code Key: Experimental/Investigational = (E/I), Not medically necessary/ appropriate = (NMN).*

**CPT Codes**

<b>Code</b>	<b>Description</b>
No specific code(s)	

*Copyright © 2023 American Medical Association, Chicago, IL*

**HCPCS Codes**

<b>Code</b>	<b>Description</b>
No specific code(s)	

**ICD10 Codes**

<b>Code</b>	<b>Description</b>
Several	

**REFERENCES**

\*Centers for Medicare & Medicaid Services. Long term care facility resident assessment instrument 3.0 user’s manual version 1.16. 2018 Oct. [<https://downloads.cms.gov/files/1-MDS-30-RAI-Manual-v1-16-October-1-2018.pdf>] accessed 07/07/23.

Gustavson AM, et al. Application of high-intensity functional resistance training in a skilled nursing facility: an implementation study. Physical Therapy 2020; 100:1746–1758.

## **Medical Policy: Skilled Nursing Facility Care/Level of Care Criteria**

**Policy Number: 11.01.21**

**Page: 5 of 6**

Herrera-Escobar JP, et al. Reduced chronic pain: Another benefit of recovery at an inpatient rehabilitation facility over a skilled nursing facility? *The American Journal of Surgery* 2021;216-221.

\*InterQual criteria, LOC: Inpatient Rehabilitation Subacute Rehabilitation

\*Key Article

### **KEY WORDS**

Direct admission to non-acute care facilities; Skilled Nursing Facility (SNF) care.

### **CMS COVERAGE FOR MEDICARE PRODUCT MEMBERS**

Based upon review, Skilled Nursing Facility Care is not addressed in a National or Local Medicare coverage determination or policy. However, Skilled Nursing Facility Level of Care is addressed in the chapter addressing Coverage of Extended Care (SNF) Services under Hospital Insurance in the Medicare Benefit Policy Manual, Chapter 8, Section 30 (Rev. 10880; Issued 08-06-21). Please refer to the following website for Medicare Members:

[<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c08pdf.pdf>] accessed 07/07/23.

For Medicare members, coverage of skilled services rendered in a non-acute setting without a preceding three-day acute care admission is contingent upon CMS approval of the Health Plan's annual application for approval via the CMS Bid Waiver Process.

*When medically necessary skilled services are required for the medically appropriate care of a patient, and the care can be rendered in a non-acute care setting (e.g., SNF), the services will be approved for that level of care without requiring a prior three-day acute care hospital admission.*

### **ADDITIONAL COVERAGE FOR NYS MEDICAID MANAGED CARE/HARP PRODUCT MEMBERS**

**PEDIATRIC SPECIALTY RATE (Revenue Code 123):** Refer to the following website:

[[https://www.health.ny.gov/facilities/long\\_term\\_care/reimbursement/nhr/benchmark/2021-02-19\\_benchmark\\_letter-jul.htm](https://www.health.ny.gov/facilities/long_term_care/reimbursement/nhr/benchmark/2021-02-19_benchmark_letter-jul.htm)], issued 02/19/21, accessed 07/07/23.

Pediatric patients have medically complex conditions requiring long term stays that may extend for a succession of years and are characterized as "medically fragile." A medically fragile child is under 21 years of age and has a chronic debilitation condition or conditions\* and is:

1. Technologically dependent for life or health sustaining functions; AND/OR
2. Requires a complex medication regimen or medical intervention to maintain or improve health status; AND/OR
3. Is in need of ongoing assessment or intervention to prevent serious deterioration of their health status or medical complication that places life, health or development at risk.

*\*Chronic debilitating conditions include, but are not limited to, bronchopulmonary dysplasia, cerebral palsy, congenital heart disease, microcephaly and muscular dystrophy. Pediatric residential health care facilities may not retain patients over the age of 21.*

*The requesting facility must be credentialed in skilled nursing pediatric care.*

**NEUROBEHAVIORAL SPECIALTY RATE (Revenue Code 124):**

Healthy NY Title: Section 415.39: [<https://regs.health.ny.gov/content/section-41539-specialized-programs-residents-requiring-behavioral-interventions>] issued 03/16/1994, accessed 07/07/23.

### **Admission Criteria**

1. As a minimum, for residents admitted to the program, there shall be documented evidence in the resident's medical record that:

**Medical Policy: Skilled Nursing Facility Care/Level of Care Criteria**

**Policy Number: 11.01.21**

**Page: 6 of 6**

- a. the resident's behavior is dangerous to themselves or to others;
- b. the resident's behavior has been assessed according to severity and intensity;
- c. within 30 days prior to the date of application to the program, the resident has displayed:
  - verbal aggression which constitutes a clear threat of violence towards others or self; or
  - physical aggression which is assaultive or combative and causes or is likely to cause harm to others or self; or
  - persistently regressive or socially inappropriate behavior which causes actual harm.
- d. various alternative interventions have been tried and found to be unsuccessful;
- e. the resident cannot be managed in a less restrictive setting; and
- f. the prospective resident has the ability to benefit from such a program.

**Assessment and Care Planning Criteria**

1. The interdisciplinary team shall have determined preliminary approaches and interventions to the severe behavior and recorded them in the resident care plan prior to admission to the unit.
2. Each resident's care plan shall include care and services which are therapeutically beneficial for the resident and selected by the resident when able and as appropriate. The care plan shall be prepared by the interdisciplinary team, which shall include psychiatrist, psychologist, or social worker participation as appropriate to the needs of the resident.
3. Based on the resident's response to therapeutic interventions, the care plan including the discharge plan shall be reviewed and modified, as needed, but at least once a month.

**Discharge Criteria**

1. A proposed discharge plan shall be developed within 30 days of admission for each resident as part of the overall care plan and shall include input from all professionals caring for the resident, the resident and their family, as appropriate, and any outside agency or resource that will be involved with the resident following discharge.
2. When the interdisciplinary team determines that discharge of a resident to another facility or community-based program is appropriate, a discharge plan shall be implemented which is designed to assist and support the resident, family and caregiver in the transition to the new setting. Program staff shall be available post-discharge to act as a continuing resource for the resident, family or caregiver.
3. The resident shall be discharged to a less restrictive setting when they no longer meet the admission criteria for this program as stated above.
4. There shall be a written transfer agreement with any nursing home of origin which allows for priority readmission to such transferring facility when a resident is capable of a safe discharge.