

Clinical Policy: Skilled Nursing Facility Leveling

Reference Number: PA.CP.MP.206

Effective Date: 6/1/2021

Date of Last Revision: 6/24/2022

[Coding Implications](#)

[Revision Log](#)

Description

Criteria for skilled nursing facility (SNF) levels of care, to be used in conjunction with general SNF placement criteria in InterQual®.

Policy/Criteria

I. It is the policy of PA Health & Wellness® that the following skilled nursing facility levels of care, for facilities contracted for levels 1-4, are **medically necessary** when the applicable criteria are met in A-C:

A. Patient status meets all of the following:

1. Medically stable with medical or surgical comorbidities manageable and not requiring acute medical attention;
2. Requires care that is directly related and reasonable for the presenting condition and/or illness;
3. There is expected improvement from medical and/or rehab intervention (or end-stage disease) within a reasonable and predictable period of time;
4. Those who require rehabilitative services must exhibit a decline in physical function (compared to prior level of function) in order for rehab services to be considered medically appropriate. Prior level of function can include: independent, modified independent in the community, supervised or minimum assistance in the community with caregiver support, or long-term resident.

B. Program requirements meet all of the following:

1. Assessment and oversight by a medical practitioner such as a doctor, nurse practitioner (NP) or physician assistant (PA) required > 1 time per week;
2. Interdisciplinary and goal oriented treatment by professional nursing, social worker, or case manager, and/or rehab therapists with specialized training, education and/or certification;
3. Treatment plan developed within 2 days of admission;
4. Daily documentation of treatment and response to interventions with progress toward meeting goals documented at least weekly or more frequently;
5. Medical specialty consultative service, pharmacy and diagnostic services available.

C. Skilled nursing facility level of care meets one of the following:

- A. *Level of Care 1 (Rev Code 191) - Skilled Nursing Services Requirements:* Skilled nursing up to 4 hours per day, 7 days per week, or skilled therapy 1-2 hours per day, at least 5 days per week;

Examples of conditions and treatments appropriate to Level 1 include, but are not limited to: nebulizer treatments; stable tracheostomy maintenance and suctioning, tube feedings or percutaneous endoscopic gastrostomy (PEG) tubes; simple wound care for healing surgical wounds, cellulitis not requiring debridement, or more than two dressing changes or topical antibiotic treatments per day; intramuscular or subcutaneous injections and in and out catheterizations.

- B. *Level of Care 2 (Rev Code 192)- Comprehensive Care Services Requirements:* Skilled nursing at least 4 hours per day, 7 days per week, or skilled therapy for at least 2 hours per day, at least 5 days per week.
Examples of conditions and treatments appropriate to Level 2 include, but are not limited to: negative pressure wound therapy; open wounds and up to Stage III decubiti; new tracheotomy requiring suctioning and site care, but not ventilator dependent; IV therapy for hydration; oxygen use and treatments for multiple medical complexities.
- C. *Level of Care 3 Complex (Rev Code 193) - Medical/Surgical Sub-Acute Care Services Requirements:* Skilled nursing for more than 4 hours per day, 7 days per week, and skilled therapy for at least 3 hours per day, at least 5 days per week;
Examples of conditions and treatments appropriate to Level 3 include, but are not limited to: combination IV antibiotic therapy; initiation or adjustment of parenteral anticoagulant therapy; orthopedic cases; total parenteral nutrition (TPN) administration; spinal or pelvic fractures; completed transient ischemic attack (TIA)/cerebrovascular accident (CVA) care; congestive heart failure requiring IV medication; urosepsis, respiratory disease requiring high flow oxygen treatment, arterial blood gas oximetry, tracheostomy tube changes and postural drainage and percussion.
- D. *Level of Care 4 (Rev Code 194) – Intensive Care Services Requirements, both of the following:*
- a. Skilled nursing for more than 4 hours per day, 7 days per week;
 - b. Patient requires Level 4 – Intensive Care Services due to one of the following high acuity needs:
 - i. Catastrophic multiple traumas;
 - ii. Severe head injury or CVA;
 - iii. Stabilized spinal cord injury;
 - iv. Weanable and non-weanable ventilator dependent patients.
- II. It is the policy of PA Health & Wellness® that the following skilled nursing facility levels of care, for facilities contracted for levels 1-5, are **medically necessary** when the criteria in A-C are met:
- A. Patient status meets all of the following:
1. Medically stable with medical or surgical comorbidities manageable and not requiring acute medical attention;
 2. Requires care that is directly related and reasonable for the presenting condition and/or illness;
 3. There is expected improvement from medical and/or rehab intervention (or end-stage disease) within a reasonable and predictable period of time;
 4. Those who require rehabilitative services must exhibit a decline in physical function (compared to prior level of function) in order for rehab services to be considered medically appropriate. Prior level of function can include: independent, modified

independent in the community, supervised or minimum assistance in the community with caregiver support, or long-term resident.

- B. Program requirements meet all of the following:
1. Assessment and oversight by a medical practitioner such as a doctor, nurse practitioner (NP) or physician assistant (PA) required > 1 time per week;
 2. Interdisciplinary and goal oriented treatment by professional nursing, social worker, or case manager, and/or rehab therapists with specialized training, education and/or certification;
 3. Treatment plan developed within 2 days of admission;
 4. Daily documentation of treatment and response to interventions with progress toward meeting goals documented at least weekly or more frequently;
 5. Medical specialty consultative service, pharmacy and diagnostic services available.
- C. Skilled nursing facility level of care meets one of the following:
1. *Level of Care 1 (Rev Code 191) – Skilled Nursing Services Requirements:* Skilled nursing up to 4 hours per day, 7 days per week, or skilled therapy 1-2 hours per day, at least 5 days per week.

Examples of conditions and treatments appropriate to Level 1 include, but are not limited to: nebulizer treatments; stable tracheostomy maintenance and suctioning, tube feedings or PEG tubes; simple wound care for healing surgical wounds, or cellulitis not requiring debridement, or more than two dressing changes or topical antibiotic treatments per day; intramuscular or subcutaneous injections and in and out catheterizations.

2. *Level of Care 2 (Rev Code 192) – Comprehensive Care Services Requirements:* Skilled nursing at least 4 hours per day, 7 days per week, or skilled therapy for at least 2 hours per day, at least 5 days per week.

Examples of conditions and treatments appropriate to Level 2 include, but are not limited to: negative pressure wound therapy; open wounds and up to Stage III ducubiti; new tracheotomy requiring suctioning and site care, but not ventilator dependent; IV therapy for hydration; oxygen use and treatments for multiple medical complexities.

3. *Level of Care 3 (Rev Code 193) – Medical/Surgical Services Requirements:* Skilled nursing for more than 4 hours per day, 7 days per week, and skilled therapy for at least 3 hours per day, at least 5 days per week;

Examples of conditions and treatments appropriate to Level 3 include, but are not limited to: combination IV antibiotic therapy; initiation or adjustment of parenteral anticoagulant therapy; orthopedic cases; TPN administration; spinal or pelvic fractures; completed TIA/CVA care; congestive heart failure requiring IV medication; urosepsis, respiratory disease requiring high flow oxygen treatment,

arterial blood gas oximetry, tracheostomy tube changes and postural drainage and percussion.

4. *Level of Care 4 (Rev Code 194) – Medically Complex Services Requirements:* Skilled nursing more than 4 hours per day, 7 days per week, and skilled therapy 3 hours per day, at least 5 days per week;

Examples of conditions and treatments appropriate to Level 4 include, but are not limited to: bedside dialysis, severe cerebrovascular accident, severe head injury, stabilized spinal cord injuries, etc.

5. *Level of Care 5 (Rev Code 199) – Intensive Care Services Requirements:* Skilled nursing required for more than 4 hours per day, 7 days per week.

Examples of conditions and treatments appropriate to Level 5 include, but are not limited to: more medically complex conditions, including but not limited to: high cost drugs, Guillian Barre syndrome, ventilator dependent patients, catastrophic multiple trauma, severe head injury, etc.

Background

Skilled Nursing Facility (SNF)⁶

A skilled nursing facility (SNF) is an institution (or part of an institution) licensed under state laws and whose primary focus is to provide skilled nursing care and related services for residents requiring medical or nursing care. A SNF may also be a place of rehabilitation services for injured, disabled, or sick members/enrollees. The following information is a synopsis from the Medicare Benefit Policy Manual:

Skilled nursing and/or skilled rehabilitation services are services, furnished in accordance physician orders, that:

- A. Require the skills of qualified technical or professional health personnel such as registered nurses, licensed practical (vocational) nurses, physical therapists, occupational therapists, and speech-language pathologists or audiologists; and,
- B. Must be provided directly by or under the general supervision of these skilled nursing or skilled rehabilitation personnel to assure the safety of the patient and to achieve the medically desired result.

In order for a nursing service to be considered a “skilled service” it must be a service that it can only be safely and effectively performed by, or under the supervision of, a registered nurse or, when provided by regulation, a licensed practical nurse.

A condition that would not ordinarily require skilled nursing services may still require skilled nursing under certain circumstances. In such instances, skilled nursing care is necessary only when:

- A. The particular patient’s special medical complications require the skills of a registered nurse or, when provided by regulation, a licensed practical nurse to perform a type of service that would otherwise be considered non-skilled; OR,

- B. The needed services are of such complexity that the skills of a registered nurse or, when provided by regulation, a licensed practical nurse are required to furnish the services.

A service is not considered a skilled nursing service merely because it is performed by or under the direct supervision of a nurse.

Coding Implications

This clinical policy references Current Procedural Terminology (CPT®). CPT® is a registered trademark of the American Medical Association. All CPT codes and descriptions are copyrighted 2020, American Medical Association. All rights reserved. CPT codes and CPT descriptions are from the current manuals and those included herein are not intended to be all-inclusive and are included for informational purposes only. Codes referenced in this clinical policy are for informational purposes only. Inclusion or exclusion of any codes does not guarantee coverage. Providers should reference the most up-to-date sources of professional coding guidance prior to the submission of claims for reimbursement of covered services.

CPT®* Codes	Description
99304	Initial nursing facility care, per day, for the evaluation and management of a patient, which requires these 3 key components: A detailed or comprehensive history; A detailed or comprehensive examination; and Medical decision making that is straightforward or of low complexity.
99305	Initial nursing facility care, per day, for the evaluation and management of a patient, which requires these 3 key components: A comprehensive history; A comprehensive examination; and Medical decision making of moderate complexity.
99306	Initial nursing facility care, per day, for the evaluation and management of a patient, which requires these 3 key components: A comprehensive history; A comprehensive examination; and Medical decision making of high complexity.
99307	Subsequent nursing facility care, per day for the evaluation and management of a patient, which requires at least 2 of these 3 key components: A problem focused interval history; A problem focused examination; Straightforward medical decision making.
99308	Subsequent nursing facility care, per day, for the evaluation and management of a patient, which requires at least 2 of these 3 key components: An expanded problem focused interval history; An expanded problem focused examination; Medical decision making of low complexity.
99309	Subsequent nursing facility care, per day, for the evaluation and management of a patient, which requires at least 2 of these 3 key components: A detailed interval history; A detailed examination; Medical decision making of moderate complexity.
99310	Subsequent nursing facility care, per day, for the evaluation and management of a patient, which requires at least 2 of these 3 key components: A comprehensive interval history; A comprehensive examination; Medical decision making of high complexity.
99315	Nursing facility discharge day management; 30 minutes or less

CPT®* Codes	Description
99316	Nursing facility discharge day management; more than 30 minutes
99318	Evaluation and management of patient involving an annual nursing facility assessment, which requires these 3 key components: A detailed interval history; A comprehensive examination; and medical decision making that is of low to moderate complexity.
92507	Individual Treatment of speech, language, voice, communication, and/or auditory processing disorder
92508	Group, 2 or more - Treatment of speech, language, voice, communication, and/or auditory processing disorder
92521	Evaluation of speech fluency (eg, stuttering, cluttering)
92522	Evaluation of speech sound production (eg, articulation, phonological process, apraxia, dysarthria);
92523	Evaluation of speech sound production (eg, articulation, phonological process, apraxia, dysarthria); with evaluation of language comprehension and expression (eg, receptive and expressive language)
92524	Behavioral and qualitative analysis of voice and resonance
92526	Treatment of swallowing dysfunction and/or oral function for feeding
92597	Evaluation for use and or fitting of voice prosthetic device to supplement oral speech
92609	Therapeutic services for the use of speech-generating device including programming and modification
97161	Physical therapy evaluation: low complexity
97162	Physical therapy evaluation: moderate complexity
97163	Physical therapy evaluation: high complexity
97164	Re-evaluation of physical therapy established plan of care
97165	Occupational therapy evaluation, low complexity
97166	Occupational therapy evaluation, moderate complexity
97167	Occupational therapy evaluation, high complexity
97168	Re-evaluation of occupational therapy established plan of care
97532	Development of cognitive skills to improve attention, memory, problem solving (includes compensatory training), direct (one-on-one) patient contact, each 15 minutes
97533	Sensory integrative techniques to enhance sensory processing and promote adaptive responses to environmental demands, direct (one to one) patient contact by the provider, each 15 minutes
97535	Self-care/home management training (eg, activities of daily living (ADL) and compensatory training, meal preparation, safety procedures, and instructions in use of assistive technology devices/adaptive equipment) direct one-on-one contact by provider, each 15 minutes
97537	Community/work integration training (eg, shopping, transportation, money management, avocational activities and/or work environment/modification analysis, work task analysis, use of assistive technology device/adaptive equipment), direct one-on-one contact by provider, each 15 minutes
97542	Wheelchair management (eg, assessment, fitting, training), each 15 minutes

CPT®* Codes	Description
97760	Orthotic(s) management and training (including assessment and fitting when not otherwise reported), upper extremity(s), lower extremity(s) and/or trunk, each 15 minutes
97761	Prosthetic training, upper and/or lower extremity(s), each 15 minutes
97762	Checkout for orthotic/prosthetic use, established patient, each 15 minutes

Reviews, Revisions, and Approvals	Date	Approval Date
New policy to PHW	5/5/2021	
Annual review. Updated therapy requirement verbiage for SNF Level 1 from “skilled therapy for up to 2 hours per day” to “skilled therapy 1-2 hours per day.” For SNF Levels 1 and 2, changed requirement from skilled nursing hours and therapy hours to skilled nursing hours or therapy hours. Changed “review date” in the header to “date of last revision” and “date” in the revision log header to “revision date.” In I.B.1 and II.B.I, corrected list of appropriate oversight to include doctors. Added corresponding revenue codes to each level’s “care requirements” section in I.C and II.C. Reformatted Policy criteria and background sections. References reviewed and updated. Reviewed by specialist.	6/24/2022	

References

1. Redberg RF. The role of post-acute care in variation in the Medicare program. *JAMA Intern Med.* 2015; 175(6):1058-1058. doi: 10.1001/jamainternmed.2015.0679
2. Burke RE, Juarez-Colunga E, Levy C, Prochazka AV, Coleman EA, Ginde AA. Rise of post-acute care facilities as a discharge destination of US hospitalizations. *JAMA Intern Med.* 2015;175(2):295-296. doi: 10.1001/jamainternmed.2014.6383
3. Carter C, Christman E, Kelley D. Post-acute care: trends in Medicare’s payments across sectors and ways to rationalize payments. In: Medicare Payment Advisory Committee Meeting Brief. <http://www.medpac.gov/docs/default-source/meeting-materials/january-2015-meeting-presentation-post-acute-care-trends-in-medicare-s-payments-across-sectors-and-w.pdf?sfvrsn=0>. January 15, 2015. Accessed July 14, 2021.
4. Mor V, Intrator O, Feng Z, Grabowski DC. The revolving door of rehospitalization from skilled nursing facilities. *Health Aff (Millwood)*. 2010;29(1):57-64. doi: 10.1377/hlthaff.2009.0629
5. Ouslander JG, Lamb G, Perloe M, et al. Potentially avoidable hospitalizations of nursing home residents: frequency, causes, and costs. *J Am Geriatr Soc.* 2010;58(4):627-635. doi: 10.1111/j.1532-5415.2010.02768.x
6. Medicare benefit policy manual: chapter 8 coverage of extended care (SNF) services under hospital insurance. Centers for Medicare and Medicaid Services Web site. <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c08pdf.pdf>. Published November 2, 2018 (revised October 4, 2019). Accessed July 14, 2021.

7. Medicare benefit policy manual: chapter 1 inpatient hospital services covered under part A. Centers for Medicare and Medicaid Services Web site. <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/bp102c01.pdf>. Published March 10, 2017. Accessed July 14, 2021.
8. Evaluation and Management Services Provided in a Nursing Facility (L35068). Centers for Medicare and Medicaid Services Web site. <https://www.cms.gov/medicare-coverage-database/overview-and-quick-search.aspx>. Published October 1, 2015 (updated November 21, 2019). Accessed July 14, 2021.
9. Evaluation and Management Services in a Nursing Facility (L36230). Centers for Medicare and Medicaid Services Web site. <https://www.cms.gov/medicare-coverage-database/overview-and-quick-search.aspx>. Published November 15, 2015 (revised January 28, 2019). Accessed July 14, 2021.
10. Criteria for skilled services and the need for skilled services (§409.32(c)). Centers for Medicare and Medicaid Services Web site. <http://www.gpo.gov/fdsys/pkg/CFR-2011-title42-vol2/pdf/CFR-2011-title42-vol2-sec409-32.pdf>. Published 2011. Accessed July 14, 2021.
11. Medicare benefit policy manual: chapter 7 home health services. Centers for Medicare and Medicaid Services Web site <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/bp102c07.pdf>. Published 2011 (revised November 6, 2020). Accessed July 22, 2020.
12. Nursing home quality initiative. Centers for Medicare and Medicaid Services Web site. <https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/NursingHomeQualityInits/index.html>. Accessed July 15, 2021.
13. Medicare claims processing manual: chapter 30, financial liability protections. Centers for Medicare and Medicaid Services Web site. <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c30.pdf>. Revised March 8, 2019. Accessed July 14, 2021.
14. Newhouse JP, Garber AM. Geographic variation in health care spending in the United States – insights from an Institute of Medicine report. *JAMA*. 2015;310(12):1227-1228. doi: 10.1001/jama.2013.278139
15. Munoz-Price, L.S. (2009). Long term acute care hospital. *Clin Infect Dis*, 49 (3), 438-43. doi: 10.1086/600391
16. Pate, N.P., & Malagoni, M.A. (2009). Antimicrobial agents for surgical infections. *Surg Clin of North Am*, 89(3), 611-626. DOI:10.1016/j.suc.2009.03.009