Skilled SNF Coverage Decisions Under COVID-19 Waivers
Beneficiary Admission From Community, ER, or Hospital Observation Stay Flowchart

Normal Coverage (Steps 1-5) – Green Background

- **Step 1 - Any Spell-of-Illness Break?**
  Under normal coverage guidelines, a beneficiary requires a 60-day break in a spell of illness to obtain eligibility for a new 100-day SNF benefit period. See Chapter 3, Section 10.4 – Benefit Period (Spell of Illness) of Chapter 3 of the Medicare General Information, Eligibility, and Entitlement manual. In some, but not all cases, the COVID-19 waivers could permit a new benefit period without a 60-day break in a spell of illness if the COVID-19 emergency prevented the start of a new benefit period. Per the 4/10/20 CMS FAQ guidance, Section 1135 waivers do not apply for any beneficiary who has exhausted their 100-day benefit, has ongoing skilled needs unrelated to COVID-19, and, has not begun a break in their spell of illness.
  - If Yes – go to Step 2, If No – go to Step 15

- **Step 2 – Needs SNF Level of Care?**
  The COVID-19 national emergency waivers do not impact normal SNF coverage guidelines as defined in Chapter 8, Section 30 of the Medicare Benefit Policy Manual (excerpt below).

  *Care in a SNF is covered if all of the following four factors are met:*
  - The patient requires skilled nursing services or skilled rehabilitation services, i.e., services that must be performed by or under the supervision of professional or technical personnel (see §§30.2 - 30.4); are ordered by a physician and the services are rendered for a condition for which the patient received inpatient hospital services or for a condition that arose while receiving care in a SNF for a condition for which he received inpatient hospital services;
  - The patient requires these skilled services on a daily basis (see §30.6); and
  - As a practical matter, considering economy and efficiency, the daily skilled services can be provided only on an inpatient basis in a SNF. (See §30.7.)
  - The services delivered are reasonable and necessary for the treatment of a patient’s illness or injury, i.e., are consistent with the nature and severity of the individual’s illness or injury, the individual’s particular medical needs, and accepted standards of medical practice. The services must also be reasonable in terms of duration and quantity.
  - If Yes – go to Step 3, if No go to Step 14

- **Step 3 - 3-Day Qualifying Stay in Last 30 Days?**
  Under normal coverage guidelines, in order to qualify for post-hospital extended care services, the beneficiary must have been an inpatient of a hospital for a medically necessary stay of at least three consecutive calendar days and must have been transferred to a participating SNF within 30 days after discharge from the hospital, unless there is a medical appropriateness exception extending this period. See Chapter 8, Section 20 – Prior Hospitalization and Transfer Requirements of the Medicare Benefit Policy manual. In some, but not all cases, as per the 4/10/20 CMS FAQ guidance, Skilled Nursing Facility Services Section, the COVID-19 qualifying stay waiver could permit SNF Part A coverage to
free up hospital beds regardless of whether the beneficiary’s condition is directly related to COVID-19 or not.
  o If Yes – go to Step 4, if No go to Step 9
• Step 4 - >60 Day Spell-of-Illness Break?
Under normal coverage guidelines, a beneficiary requires a 60-day break in a spell of illness to obtain eligibility for a new 100-day SNF benefit period. See Chapter 3, Section 10.4 – Benefit Period (Spell of Illness) of Chapter 3 of the Medicare General Information, Eligibility, and Entitlement manual. In some, but not all cases, the COVID-19 waivers could permit a new benefit period without a 60-day break in a spell of illness if the COVID-19 emergency prevented the start of a new benefit period. The 3/13/20 CMS COVID-19 waiver guidance, indicates scenarios where a beneficiary who has begun a break in their spell of illness but has not completed the 60 days may qualify for the spell of illness waiver.
  o If Yes – go to Step 5, If No – go to Step 6
• Step 5 - Eligible for SNF Part A Benefits No Waiver Needed
Beneficiary is eligible for Part A benefits under normal coverage, documentation, and coding requirements. Coverage decision process ends here.

Application of COVID-19 Section 1135 Waivers (Steps 6-15) – Yellow Background
• Step 6 - Need to Avoid Hospital Admission?
CMS has indicated a primary intent for the Section 1135 waivers was to keep hospital beds free so that they would be available to treat medical emergencies and to minimize exposure to COVID-19 for the vulnerable SNF population. In addition, the 4/10/20 CMS FAQ guidance Skilled Nursing Facility Services Section the COVID-19 qualifying stay waiver language would permit SNF Part A coverage to keep hospital beds free regardless of whether the beneficiary’s condition is directly related to COVID-19 or not. CMS has not provided guidance whether this hypothetical situation would ever be answered as “No” under the blanket waiver.
  o If Yes – go to Step 7, If No – go to Step 8
• Step 7 - Eligible for SNF Part A Benefits Spell-of-Illness Waiver Applies
Beneficiary is eligible for Part A benefits under the Section 1135 spell-of-illness waiver. Providers should document rationale for applying the waiver, provide normal required documentation needed to support a skilled level of care. In addition, per the 4/10/20 CMS FAQ guidance Skilled Nursing Facility Services Section, SNF provides must append the “DR” condition code to these Part A Claims. Coverage decision process ends here.
• Step 8 – Not Eligible for SNF Part A Benefits – No Waivers Apply
CMS has not provided guidance whether this hypothetical situation would ever be answered as “No” under the blanket waiver. Coverage decision process ends here.
• Step 9 - Need to Avoid Hospital Admission?
CMS has indicated a primary intent for the Section 1135 waivers was to keep hospital beds free so that they would be available to treat medical emergencies and to minimize exposure to COVID-19 for the vulnerable SNF population. In addition, the 4/10/20 CMS FAQ guidance Skilled Nursing Facility Services Section the COVID-19 qualifying stay waiver language would permit SNF Part A coverage to keep hospital beds free regardless of whether the beneficiary’s condition is directly related to COVID-19 or not. CMS has not provided guidance whether this hypothetical situation would ever be answered as “No” under the blanket waiver. Coverage decision process ends here.
Services Section the COVID-19 qualifying stay waiver language would permit SNF Part A coverage to keep hospital beds free regardless of whether the beneficiary’s condition is directly related to COVID-19 or not. CMS has not provided guidance whether this hypothetical situation would ever be answered as “No” under the blanket waiver.

- If Yes – go to Step 10, If No – go to Step 13

**Step 10 - >60 Day Spell-of-Illness Break?**
Under normal coverage guidelines, a beneficiary requires a 60-day break in a spell of illness to obtain eligibility for a new 100-day SNF benefit period. See Chapter 3, Section 10.4 – Benefit Period (Spell of Illness) of Chapter 3 of the Medicare General Information, Eligibility, and Entitlement manual. In some, but not all cases, the COVID-19 waivers could permit a new benefit period without a 60-day break in a spell of illness if the COVID-19 emergency prevented the start of a new benefit period.

- 3/13/20 CMS COVID-19 waiver guidance, indicates scenarios where a beneficiary who has begun a break in their spell of illness but has not completed the 60 days may qualify for the spell of illness waiver.

- If Yes – go to Step 11, If No – go to Step 12

**Step 11 - Eligible for SNF Part A Benefits 3-Day Stay Waiver Applies**
Beneficiary is eligible for Part A benefits under the Section 1135 3-day stay waiver. Providers should document rationale for applying the waiver, provide normal required documentation needed to support a skilled level of care. In addition, per the 4/10/20 CMS FAQ guidance Skilled Nursing Facility Services Section, SNF provides must append the “DR” condition code to these Part A Claims. Coverage decision process ends here.

**Step 12 - Eligible for SNF Part A Benefits 3-Day Stay Waiver and Spell-of-Illness Waivers Apply**
Beneficiary is eligible for Part A benefits under the Section 1135 3-day stay and spell-of-illness waivers. Providers should document rationale for applying the waiver(s), provide normal required documentation needed to support a skilled level of care. In addition, per the 4/10/20 CMS FAQ guidance Skilled Nursing Facility Services Section, SNF provides must append the “DR” condition code to these Part A Claims. Coverage decision process ends here.

**Step 13 – Not Eligible for SNF Part A Benefits – No Waivers Apply**
CMS has not provided guidance whether this hypothetical situation would ever be answered as “No” under the blanket waiver. Coverage decision process ends here.

**Step 14 – Not Eligible for SNF Part A Benefits – No Waivers Apply**
The COVID-19 national emergency waivers do not impact normal SNF skilled level of care coverage guidelines as defined in Chapter 8, Section 30 of the Medicare Benefit Policy Manual. Coverage decision process ends here.

**Step 15 – Not Eligible for SNF Part A Benefits – No Waivers Apply**
Per the 4/10/20 CMS FAQ guidance Skilled Nursing Facility Services Section, it appears that the Section 1135 waivers do not apply for any beneficiary who has exhausted their 100-day benefit, has ongoing skilled needs unrelated to COVID-19, and, has not begun a break in their spell of illness. Coverage decision process ends here. It is unlikely that Step 15 would apply to most admissions from the community as there is likely a clearly identified break in spell-of-illness.