

Chapter 1

Section 23

Hospital Reimbursement - Payment When Only Skilled Nursing Facility (SNF) Level Of Care Is Required

Issue Date: August 26, 1985

Authority: [32 CFR 199.4\(b\)\(1\)\(iv\)](#) and [32 CFR 199.14\(b\)](#)

Revision:

1.0 APPLICABILITY

This policy is mandatory for reimbursement of services provided by either network or non-network providers. However, alternative network reimbursement methodologies are permitted when approved by the Defense Health Agency (DHA) and specifically included in the network provider agreement.

2.0 ISSUE

How is a hospital to be paid for a patient who only requires SNF care?

3.0 POLICY

Payment Rate.

3.1 When it is determined that a hospital may be paid for care provided to a beneficiary who requires only SNF care, payment is to be at the SNF Prospective Payment System (PPS) rate.

3.2 In order to determine the payment for a beneficiary who is exempt from the SNF PPS, the contractor is to use either the rate for the SNF which most likely would be used by the beneficiary, or it may use an average of the rates of comparable, equally accessible SNF.

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