

**MEDICAL ASSOCIATES HEALTH PLANS, LIVE360 HEALTH PLAN AND HEALTH CHOICES**  
**HEALTH CARE SERVICES POLICY AND PROCEDURE MANUAL**

**POLICY TITLE:** Skilled Nursing Facility Services

**POLICY STATEMENT:**

This policy addresses skilled nursing facility (SNF) services in an institution (or a distinct part of an institution), that mainly provides inpatient skilled nursing and related services to individuals requiring convalescent and rehabilitative care. The facility or program must be licensed, certified or otherwise authorized, pursuant to the laws of the state in which it is situated, as a skilled nursing home.

**Definitions:**

“Skilled Care” means medical services (treatment, management, observation, and evaluation of care) rendered by registered or licensed practical nurses, respiratory, physical, occupational, and speech therapists. Skilled care is a comprehensive, outcome-oriented approach for patients who do not require acute care services such as high-technology or complex diagnostic procedures but continue to require short-term, complex, medical, and rehabilitation interventions provided by a physician-directed interdisciplinary team. Skilled care can be provided in a variety of settings, including skilled nursing facilities, acute hospitals, and specialty hospitals.

**Custodial Care:**

- Custodial care is that care which is primarily for the purpose of assisting the individual in the activities of daily living or in meeting personal rather than medical needs, which is not specific therapy for an illness or injury and is not skilled care.
- Custodial care serves to assist an individual in the activities of daily living, such as assistance in walking, getting in and out of bed, bathing, dressing, feeding, using the toilet, preparation of special diets, and supervision of medication that usually can be self-administered.
- Custodial care essentially is personal care that does not require the continuing attention or supervision of trained, medical, or paramedical personnel.
- Custodial care is maintenance care provided by family members, health aides or other unlicensed individuals after an acute medical event when an individual has reached the maximum level of physical or mental function.
- In determining whether an individual is receiving custodial care, the factors considered are the level of care and medical supervision required and furnished. The decision is not based on diagnosis, type of condition, degree of functional limitation or rehabilitation potential.

**CRITERIA:**

For Medicare members, MAHP will follow the coverage determination of the Centers for Medicare & Medicaid Services (CMS).

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Skilled nursing facility (SNF) services are **medically necessary** when **ALL** the following criteria in Section A are met **and** one or more of the criteria in Section B are met:

***Section A:***

1. The individual requires skilled nursing or skilled rehabilitation services that must be performed by, or under the supervision of, professional or technical personnel; **and**
2. The individual requires these skilled services on a **daily** basis; (note: if skilled rehabilitation services are not available on a 7-day-a-week basis, an individual whose inpatient stay is based solely on the need for skilled rehabilitation services would meet the "daily basis" requirement when he/she needs and receives those services at least 5 days a week); **and**
3. As a practical matter, the daily skilled services can be provided only on an inpatient basis in a skilled nursing facility (SNF) setting; **and**
4. SNF services must be furnished pursuant to a physician's orders and be reasonable and necessary for the treatment of an individual's illness or injury (that is, be consistent with the nature and severity of the individual's illness or injury, his particular medical needs and accepted standards of medical practice); **and**
5. Initial admission and subsequent stay in a SNF for skilled nursing services or rehabilitation services must include development, management, and evaluation of a plan of care as follows:
  - a. The involvement of skilled nursing personnel is required to meet the individual's medical needs, promote recovery, and ensure medical safety (in terms of the individual's physical or mental condition); **and**
  - b. There must be a significant probability that complications would arise without skilled supervision of the treatment plan by a licensed nurse; **and**
  - c. Care plans must include realistic nursing goals and objectives for the individual, discharge plans and the planned interventions by the nursing staff to meet those goals and objectives; **and**
  - d. Updated care plans must document the outcome of the planned interventions; **and**
  - e. There must be daily documentation of the individual's progress or complications.

***Section B:***

1. **Observation, assessment, and monitoring of a complicated or unstable condition.**
  - a. A complex or unstable condition of the individual must require the skills of licensed nurse or rehabilitation personnel in order to identify and evaluate the individual's need for possible modification of the treatment plan or initiation of additional medical procedures.
  - b. There must be a high likelihood of a change in an individual's condition due to complications or further exacerbations.

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- c. Daily nursing or therapy notes must give evidence of the individual's condition and documentation must indicate the results of monitoring.  
**OR**
2. **Complex teaching services to the individual or caregiver requiring 24-hour SNF setting vs. intermittent home health care setting.**
  - a. The teaching itself is the skilled service. The activity being taught may or may not be considered skilled.
  - b. Documentation should include the reasons why the teaching was not completed in the hospital, as well as the individual's or caregiver's capability of compliance.  
**OR**
3. **Complex medication regimen**
  - a. The individual must have a complex range of new medications (including oral medications) following a hospitalization where there is a high probability of adverse reactions or a need for changes in the dosage or type of medication.
  - b. Documentation required to authorize initial admission and extensions must include the individual's unstable condition, medication changes and continuing probability of complications.  
**OR**
4. **Initiation of tube feedings**
  - a. Nasogastric tube and percutaneous tubes (including gastrostomy and jejunostomy tubes).  
**OR**
5. **Active weaning of ventilator dependent individuals**
  - a. These individuals are considered skilled due to their complex care.  
**OR**
6. **Wound care (including decubitus/pressure ulcers)**

**Note:** Skilled nursing facility placement solely for the purpose of wound care should be rare.

**All** the following criteria must be met:

  - a. Wound care must be ordered by a physician; **and**
  - b. The individual must require **extensive** wound care (for example, packing, debridement, or irrigation of multiple stage II, or one or more stage III or IV wounds); **and**
  - c. Skilled observation and assessment of a wound must be documented daily and should reflect any changes in wound status to support the medical necessity for continued observation.

### **Respiratory Therapy (RT)**

**Note:** The need for respiratory therapy, either by a nurse or by a respiratory therapist, does not alone qualify an individual for skilled nursing facility (SNF) care.

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**Not Medically Necessary**

A skilled nursing facility (SNF) setting is considered **not medically necessary** when **any one** of the following is present:

1. Services do not meet the medically necessary criteria above; **or**
2. The individual's condition has changed such that skilled medical or rehabilitative care is no longer needed; **or**
3. Physical medicine therapy or rehabilitation services in which there is not a practical improvement in the level of functioning within a reasonable period of time; **or**
4. Services that are solely performed to preserve the present level of function or prevent regression of functions for an illness, injury or condition that is resolved or stable; **or**
5. The individual refuses to participate in the recommended treatment plan; **or**
6. Care is initially or has become custodial; **or**
7. The services are provided by a family member or another non-medical person. When a service can be safely and effectively self-administered or performed by the average non-medical person without the direct supervision of a nurse, the service cannot be regarded as a skilled service.

The following services are examples of services that do not require the skills of a licensed nurse or rehabilitation personnel and are therefore considered to be **not medically necessary** in the skilled nursing facility setting **unless** there is documentation of comorbidities and complications that require individual consideration.

- Routine services directed toward the prevention of injury or illness
- Routine or maintenance medication administration. SNF admissions solely for the administration of routine or maintenance medications, including intravenous (IV), intramuscular (IM) and subcutaneous (SQ) medications are not considered skilled. Parenteral medication administration in medically stable members is most often managed in the home setting by a home health or home infusion therapy provider.
- Care solely for the administration of oxygen, IPPB (intermittent positive pressure breathing) treatments and nebulizer treatments
- Routine enteral feedings
- Routine colostomy care
- Custodial care by a licensed practical nurse (LPN) or registered nurse (RN)
- Emotional support or counseling
- Suctioning of the nasopharynx or nasotrachea. Suctioning daily or as needed (PRN) with occurrences less frequently than every four hours is not considered skilled.
- Administration of suppositories or enemas
- Routine foot and nail care
- Medically stable ventilator care that can be safely provided in an alternative setting
- Urinary catheters. The presence of a stable indwelling or suprapubic catheter, the need for routine intermittent straight catheterization or ongoing intermittent straight

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catheterization for chronic condition, catheter replacement or routine catheter irrigation does not qualify an individual for SNF placement unless other skilled needs exist.

- Heat treatment – wet or dry
  - a. Whirlpool baths, paraffin baths or heat lamp treatments do not qualify an individual for care in a SNF.
  - b. There may be a rare instance when a severely compromised individual with desensitizing neuropathies or severe burns requires skilled observation during the above treatments. These cases are to be reviewed on an individual basis. Documentation must support the medical necessity for such observation.

The Case Manager from Medical Associates Health Plan (MAHP) will review skilled services at a **minimum** of weekly to determine if the member is still meeting criteria for skilled care, either in a hospital or in a skilled facility (i.e., nursing home).

Requests for coverage of Skilled services that do NOT appear to meet the above listed criteria will be reviewed by the Chief Medical Officer.

**WI Mandate**

**Skilled Nursing Care** - Policies that cover hospital expenses must cover up to 30 days of skilled nursing care to patients who enter a licensed skilled nursing facility within 24 hours after discharge from a hospital. Coverage may be limited to care that is medically necessary as certified by the attending physician every seven days and that is for the same condition treated in the hospital. [s. 632.895(3), Wis. Stat.]

**WI Mandate 632.895 (3) does apply to Cost Plans.**

\* No three-day LOS is required.

\*Must meet the above established health plan Skilled Nursing criteria.

\*MAHP and Health Choices Contracted Facilities should be used for WI 30 day Skilled Mandate.

References: Other Major Health Plan Payers

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