

Subject: Skilled Nursing and Skilled Rehabilitation Services (Outpatient)

Guideline #: CG-REHAB-07

Status: Reviewed

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Description

This document addresses skilled nursing and skilled rehabilitation services provided in the outpatient setting.

Skilled nursing and skilled rehabilitation services are those services, furnished pursuant to physician orders, that:

- Require the skills of licensed technical or professional health personnel such as registered nurses, licensed practical (vocational) nurses, physical therapists, occupational therapists and speech pathologists or audiologists; **and**
- Must be provided directly by or under the general supervision of these skilled nursing or skilled rehabilitation personnel to assure the safety of the individual and to achieve the medically desired result; **and**
- Are not custodial in nature (see definition of custodial care under "Discussion/General Information" section below).

Note: Please see the following related documents for additional information:

- [CG-MED-19 Custodial Care](#)
- [CG-MED-23 Home Health](#)
- [CG-REHAB-08 Private Duty Nursing in the Home Setting](#)
- [CG-REHAB-12 Rehabilitative and Habilitative Services in the Home Setting: Physical Medicine/Physical Therapy, Occupational Therapy and Speech-Language Pathology](#)

Clinical Indications

Outpatient Skilled Nursing and Skilled Rehabilitation Services

Medically Necessary:

Outpatient skilled nursing services are considered **medically necessary** in the following circumstances:

1. When the inherent complexity of a service required by an individual is such that it can be performed safely and effectively only by or under the general supervision of skilled nursing personnel; **and**
2. When the likelihood of change in an individual's condition requires skilled nursing personnel to observe and assess the individual in order to identify and evaluate the need for possible modification of treatment or initiation of additional medical procedures, until the treatment regimen is essentially stabilized; **and**
3. When they are not custodial in nature (see definition of custodial care under "Discussion/General Information" section below).

Outpatient skilled rehabilitation services are considered **medically necessary** when all of the following conditions are met:

1. Individual has a new (acute) medical condition or acute exacerbation of a chronic medical condition that has resulted in a decrease in functional ability such that they cannot adequately recover without therapy; **and**
2. Individual's overall medical condition and medical needs can be addressed in the outpatient setting **and**
3. Therapy must be reasonable and necessary for the individual's condition, including the amount, duration and frequency of services and must be directly and specifically related to an active written treatment plan developed by physician and therapist; **and**
4. Individual's mental and physical condition prior to the onset of the medical condition indicates there is a potential for improvement or the services must be necessary for the establishment of a safe and effective maintenance program; **and**
5. Individual must be medically stable enough to participate in the treatment plan; **and**
6. Individual is expected to show measurable functional improvement in a reasonable and generally predictable period of time; **and**
7. Individual requires the judgment, knowledge and skills of a licensed therapist; **and**
8. Therapy includes a discharge plan.

Examples of Skilled Services include, but are not limited to, the following:

- Intravenous, intramuscular, subcutaneous injections, hypodermoclysis and intravenous feedings **Note:** It is customary to teach individuals to self-administer an insulin injection; however, if self-injection cannot be learned or performed, insulin injection is a skilled service);
- Initiation of nasogastric, gastrostomy and jejunostomy feedings and administration of continuous feedings associated with the initiation of the feeding, when medically necessary per the clinical indications listed above. Stable continuous feedings beyond those associated with initiation are not considered a skilled service. **(Note:** It is recognized that, in some circumstances, lay family members and friends may be trained to safely and effectively provide chronic services such as stable bolus feeding by nasogastric, gastrostomy and jejunostomy feedings);
- Nasopharyngeal and tracheostomy aspiration **(Note:** It is recognized that, in some circumstances, lay family members and friends may be trained to safely and effectively provide chronic services such as uncomplicated pharyngeal suctioning or tracheal suctioning);
- Insertion, sterile irrigation and replacement of catheters: care of a suprapubic catheter and, in selected individuals, urethral catheter **(Note:** The presence of a urethral catheter, particularly one placed for convenience or the control of incontinence, does not justify a need for skilled nursing care. On the other hand, the insertion and maintenance of a urethral catheter as an adjunct to the active treatment of disease of the urinary tract may justify a need for skilled nursing care. In such instances, the need for a urethral catheter must be justified and documented in the individual's medical record [that is, it must be established that it is reasonable and necessary for the treatment of the individual's condition]);
- Application of dressings involving prescription medications and aseptic techniques;
- Treatment of decubitus ulcers, severity rated at Grade 3 or worse or a widespread skin disorder;
- Heat treatments which have been specifically ordered by a physician as part of active treatment and which require observation

- by skilled nursing personnel to adequately evaluate the individual's progress;
- Rehabilitation nursing procedures, including the related teaching and adaptive aspects of nursing, that are part of active treatment and require the presence of skilled nursing personnel, for example, the institution and supervision of bowel and bladder training programs;
- Ultrasound, shortwave and microwave diathermy treatments;
- Initial phases of a regimen involving administration of medical gases or use of nebulizers (for example, bronchodilator therapy); and
- Care of a colostomy during the early postoperative period in the presence of associated complications. The need for skilled care during this period must be justified and documented in the individual's medical record.

Note:

- While an individual's particular medical condition is a valid factor in deciding if skilled services are needed, an individual's diagnosis or prognosis should never be the sole factor in deciding that a service is not skilled.
- Even where an individual's full or partial recovery is not possible, a skilled service still could be needed to prevent deterioration or to maintain current capabilities, for example, an individual with cancer whose prognosis is terminal may require skilled services at various stages of his/her illness and nursing assessment and intervention to alleviate pain or prevent deterioration.
- A service that does not ordinarily require skilled care could be considered a skilled service in cases in which, because of special medical complications, skilled nursing or skilled rehabilitation personnel are required to perform or supervise it or to observe the individual. In these cases, the complications and special services involved must be documented by physicians' orders and nursing or therapy notes.

Not Medically Necessary:

Outpatient skilled nursing services are considered **not medically necessary** when the criteria above are not met.

Outpatient skilled rehabilitation services are considered **not medically necessary** when the criteria above are not met.

Coding

Coding edits for medical necessity review are not implemented for this guideline. Where a more specific policy or guideline exists, that document will take precedence and may include specific coding edits and/or instructions. Inclusion or exclusion of a procedure, diagnosis or device code(s) does not constitute or imply member coverage or provider reimbursement policy. Please refer to the member's contract benefits in effect at the time of service to determine coverage or non-coverage of these services as it applies to an individual member.

Discussion/General Information

Skilled nursing and skilled rehabilitation services, furnished pursuant to physician orders, require the skills of qualified technical or professional health personnel such as registered nurses, physical therapists, occupational therapists and speech pathologists or audiologists. These services must be provided directly by or under the general supervision of these skilled nursing or skilled rehabilitation personnel to assure the safety of the individual and to achieve the medically desired result.

Definition of 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, licensed medical or paramedical personnel.
- Custodial care is maintenance care provided by family members, health aides or other unlicensed individuals after an acute medical event, including behavioral health events, 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.

Note: Custodial care may occur in settings other than the home.

References

Peer Reviewed Publications:

- Cruise CM, Sasson N, Lee MH. Rehabilitation outcomes in the older adult. Clin Geriatr Med. 2006; 22(2):257-267.
- Ensberg M, Gerstenlauer C. Incremental geriatric assessment. Prim Care. 2005; 32(3):619-643.

Government Agency, Medical Society, and Other Authoritative Publications:

- Centers for Medicare and Medicaid Services. Medicare Benefit Policy Manual. Publication 100-02. Available at: <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS012673>. Accessed on June 30, 2023.

History

Status	Date	Action
Reviewed	08/10/2023	Medical Policy & Technology Assessment Committee (MPTAC) review. References section updated.
Reviewed	08/11/2022	MPTAC review. References section updated.
Reviewed	08/12/2021	MPTAC review. References section updated.
Reviewed	08/13/2020	MPTAC review. References section updated.
Reviewed	08/22/2019	MPTAC review. References section updated.

Revised	11/08/2018	MPTAC review. Changed “qualified” to “licensed” in medically necessary statement on outpatient skilled rehabilitation services. Description and References sections updated.
Reviewed	02/27/2018	MPTAC review. Updated header language from “Current Effective Date” to “Publish Date. References section updated.
Reviewed	02/02/2017	MPTAC review. Formatting updated in clinical indication section. Discussion and References section updated.
Revised	05/05/2016	MPTAC review. Clarified examples of skilled services in clinical indication section related to insulin injections and feedings. References section updated.
Revised	02/04/2016	MPTAC review. Defined abbreviations in clinical indications section. Reference section updated.
Reviewed	02/05/2015	MPTAC review. Description and References sections updated.
Reviewed	02/13/2014	MPTAC review. References section updated.
Reviewed	02/14/2013	MPTAC review. References section updated.
Reviewed	02/16/2012	MPTAC review. References section updated.
Reviewed	02/17/2011	MPTAC review. Title of Clinical Indication section, Description, Discussion (including definition of custodial care), and Reference links updated. Clarifications made to examples of skilled services.
Reviewed	02/25/2010	MPTAC review. Reference links updated.
Reviewed	02/26/2009	MPTAC review. References and discussion updated. Case management section removed.
Revised	02/21/2008	MPTAC review. Added not medically necessary statements for outpatient skilled nursing services and outpatient skilled rehabilitation services. Minor clarification made to example of skilled services. Description, discussion and references updated. Coding updated to remove specific codes from this definition document.
Reviewed	03/08/2007	MPTAC review. References and coding updated.
Revised	03/23/2006	MPTAC review. Revision based on Pre-merger Anthem and Pre-merger WellPoint Harmonization.
Pre-Merger Organizations		Last Review Date Document Number Title
Anthem, Inc.		No Policy
Anthem MW	02/11/2005	MA-020 Skilled Nursing Facility Setting, Skilled and Custodial Services Defined
WellPoint Health Networks, Inc.	09/22/2005	Clinical Guideline Skilled Nursing and Skilled Rehabilitation Services

Federal and State law, as well as contract language, and Medical Policy take precedence over Clinical UM Guidelines. We reserve the right to review and update Clinical UM Guidelines periodically. Clinical guidelines approved by the Medical Policy & Technology Assessment Committee are available for general adoption by plans or lines of business for consistent review of the medical necessity of services related to the clinical guideline when the plan performs utilization review for the subject. Due to variances in utilization patterns, each plan may choose whether to adopt a particular Clinical UM Guideline. To determine if review is required for this Clinical UM Guideline, please contact the customer service number on the member's card.

Alternatively, commercial or FEP plans or lines of business which determine there is not a need to adopt the guideline to review services generally across all providers delivering services to Plan's or line of business's members may instead use the clinical guideline for provider education and/or to review the medical necessity of services for any provider who has been notified that his/her/its claims will be reviewed for medical necessity due to billing practices or claims that are not consistent with other providers, in terms of frequency or in some other manner.

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