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MMA - Revised Manual Instructions for Processing End Stage Renal Disease (ESRD) Exceptions Under the Composite Rate Reimbursement System

Key Words

MM4188, CR4188, R781CP, ESRD, Exception, Manual, Instructions, Composite, Rate, Pediatric, Reimbursement, Renal, Disease

Provider Types Affected

Providers billing fiscal intermediaries (FIs) for pediatric ESRD services

Key Points

- The effective date of the instruction is January 1, 2006.
- The implementation date is January 17, 2006.
- The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA, Section 623) amended the Benefits Improvement and Protection Act (BIPA 2000) to allow only pediatric End Stage Renal Disease (ESRD) facilities that did not have an approved exception rate as of October 1, 2002, to file for an exception to their updated prospective payment (or composite) rate.
- The pediatric facility would have to demonstrate that at least 50 percent of its patients are individuals less than 18 years of age.
- This statutory amendment to BIPA 2000 lifted the previous prohibition on exceptions and restored the exception process for pediatric facilities.
- The Centers for Medicare & Medicaid Services (CMS) is revising the exception criteria by:
 - Eliminating the following three (of the five) exception criteria:
 - Isolated essential facilities;
 - Extraordinary circumstances; and
 - Frequency of dialysis;
 - Retaining and revising the exception criterion for "pediatric patient mix;" (*formerly atypical patient mix*); and

- Retaining and renaming the exception criteria for self-dialysis training costs in pediatric facilities.
- In accordance with changes made by BIPA 2000 (Section 422) and the MMA (Section 623), CMS has revised instructions in the Medicare Claims Processing Manual. The major changes include the following:
 - Only a pediatric ESRD facility that did not have an approved exception rate as of October 1, 2002, can now file for an exception to its updated composite payment rate;
 - A pediatric ESRD facility is defined as a renal facility with at least 50 percent of its patients under the age of 18;
 - The previous exception criteria have been eliminated (with the exception of self-dialysis training);
 - A pediatric ESRD facility can file for an exception to its composite payment rate at any time it is in operation for 12 consecutive months; and
 - A pediatric ESRD facility that has been denied an exception rate may immediately file another exception request.

Important Links

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/mm4188.pdf>

<http://www.cms.hhs.gov/transmittals/downloads/R781CP.pdf>