



Related MLN Matters Article #: MM4291

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MMA - Update to the ESRD Composite Payment Rates

Key Words

MM4291, CR4291, R849CP, MMA, ESRD, composite, payment, rates

Provider Types Affected

Providers billing Medicare Fiscal Intermediaries (FIs) for End Stage Renal Disease (ESRD) dialysis services

Key Points

- The effective date of the instruction is January 1, 2006.
- The implementation date is February 13, 2006.
- Effective January 1, 2006, the base composite payment rates will be **increased** to \$130.40 for independent ESRD facilities, and \$134.53 for hospital-based ESRD facilities.
- Using the updated composite payment rates, the updated drug add-on adjustment is 12.9 percent.
- The inflation adjustment of 1.4 percent is unchanged.
- Therefore, the total drug add-on adjustment for 2006 is 14.5 percent instead of the 14.7 percent indicated in CR4196.
- Effective January 1, 2006, both hospital-based and independent ESRD facilities will be paid Average Sales Price (ASP) + 6 percent for all separately billable drugs except vaccines.
- Change Request (CR) 4291 **supplements** CR4196 (Transmittal 774, dated December 2, 2005, <http://www.cms.hhs.gov/transmittals/downloads/R774CP.pdf>), which implements other changes to the composite rate payment system for calendar year 2006.
- The implementation date for this instruction is February 13, 2006. Once this is implemented, Medicare FIs will reprocess 72X claims with dates of service on or after January 1, 2006, that were processed with the old Pricer in order to correct the payment.
- This reprocessing will be done by July 1, 2006.

Important Links

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM4291.pdf>

<http://www.cms.hhs.gov/Transmittals/downloads/R849CP.pdf>

<http://www.cms.hhs.gov/MMAUpdate/>

http://www.ssa.gov/OP_Home/ssact/title18/1881.htm

<http://www.cms.hhs.gov/transmittals/downloads/R774CP.pdf>

If providers have any questions, they should refer to their FI at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.