



Related MLN Matters Article #: MM5931

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## *Manualization of Payment for Outpatient End Stage Renal Disease (ESRD)-Related Services*

### Key Words

MM5931, R1456CP, CR5931, ESRD, Outpatient

### Provider Types Affected

Physicians and other practitioners who bill Medicare Carriers or Part A/B Medicare Administrative Contractors (A/B MACs) for providing outpatient end stage renal disease (ESRD) services to Medicare beneficiaries

### Key Points

- The effective date of the instruction is March 24, 2008.
- The implementation date is March 24, 2008.

### Background

- In the Federal Register that was published November 7, 2003 (68 FR 63216), the Centers for Medicare & Medicaid Services (CMS) established new G codes for managing dialysis patients with varying monthly capitation payments (MCPs) based on the number of visits provided within each month and the beneficiary's age.
- Under this payment methodology, physicians bill separate codes for providing **one** ESRD-related visit per month, **two to three** visits per month, or **four or more** visits per month.
- In turn, they receive the lowest payment amount when providing one visit per month, a higher payment when providing two to three visits per month, and the highest payment amount when providing at least four visits per month.
- On September 17, 2004, Change Request (CR) 3414 (Payment for Outpatient ESRD-Related Services) provided interim billing instructions for specific less-than-full-month ESRD-related scenarios (e.g. transient patients) and for visits furnished to patients in hospital observation status.
- In these two instances, physicians and practitioners were instructed to use the unlisted dialysis procedure code (Current Procedural Terminology (CPT) code 90999).

- Subsequently, in the Federal Register published November 15, 2004 (69 FR 66357), CMS:
  - Changed the descriptor of the G codes for ESRD-related home dialysis services, less-than-full-month (G0324 through G0327) to allow other partial month scenarios (in addition to patients dialyzing at home); and
  - Established policy that permits visits furnished to beneficiaries in hospital observation status to be counted for purposes of billing the MCP service.
- These policy changes superseded the interim billing instructions contained in CR3414.
- Finally, CR3595 (Emergency Update to the CY 2005 Physician Fee Schedule Data Base), published on December 23, 2004, included descriptors of G0324-G0327 to allow these codes to be used for other scenarios in addition to home dialysis less-than-full-month (e.g., transient patients, partial month due to hospitalization, transplant or when the patient expired, and when a permanent change in MCP physician occurs during the month).

### CR5931 Changes

- CR5931 updates the *Medicare Claims Processing Manual*, Chapter 8 (Outpatient ESRD Hospital, Independent Facility, and Physician/Supplier Claims), Section 140 (Monthly Capitation Payment Method for Physicians' Services Furnished to Patients on Maintenance Dialysis) to reflect these requirement changes.
- CR5931 also notifies providers that this section has been reorganized.
- ESRD-related services (per full month), as described by CPT codes 90918-90921, and those (less-than-full-month), as described by CPT codes 90922-90925, are no longer valid for Medicare. They have been replaced by Healthcare Common Procedure Coding System (HCPCS) codes G0308 through G0327:
  - HCPCS codes G0308-G0319 are used for center based patients on dialysis;
  - HCPCS codes G0320 – G0323 are used for home dialysis patients; and
  - HCPCS codes G0324 through G0327 are used for less-than-full-month services.
- **Providers should note that ESRD-related services as described by HCPCS codes G0308 – G0327 are already included as part of the HCPCS payment file. Medicare contractors are currently making payment for these services.**

### Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5931.pdf> on the CMS website.

The official instruction (CR5931) regarding this change may be viewed at

<http://www.cms.hhs.gov/Transmittals/downloads/R1456CP.pdf> on the CMS website.

Providers will find the following updated sections of the *Medicare Claims Processing Manual*, Chapter 8 (Outpatient ESRD Hospital, Independent Facility, and Physician/Supplier Claims) as an attachment to that CR:

- Section 140 (Monthly Capitation Payment Method for Physicians' Services Furnished to Patients on Maintenance Dialysis);
- Section 140.1 (Payment for ESRD-Related Services Under the Monthly Capitation Payment (Center Based Patients));
- Section 140.1.1 (Payment for Managing Patients on Home Dialysis);
- Section 140.1.2 (Patients That Switch Modalities (Center to Home and Vice Versa));
- Section 140.2 (Payment for ESRD-Related Services (Per Diem));
- Section 140.2.1 (Guidelines for Physician or Practitioner Billing (Per Diem));
- Section 140.3 (Data Elements Required on Claim for Monthly Capitation Payment), and
- Section 140.4 (Controlling Claims Paid Under the Monthly Capitation Payment Method).

To view the related MLN Matters article on "Payment for Outpatient ESRD-Related Services", providers may visit <http://www.cms.hhs.gov/MLNMattersArticles/Downloads/MM3414.pdf> on the CMS website.

Providers may also want to view CR3595 (Emergency Update to the CY 2005 Physician Fee Schedule Data Base) at <http://www.cms.hhs.gov/transmittals/downloads/R414CP.PDF> on the CMS website. The related MLN Matters article (MM3595) is at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM3595.pdf> on the CMS website.

If providers have questions regarding this issue, they may contact their carrier or A/B MAC at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.