



## End-Stage Renal Dialysis (ESRD) Medicare Claims Processing Manual Clarification –JA6245

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<b>Key Words</b>	MM6245, CR6245, R1655CP, ESRD, Renal, Dialysis,
<b>Contractors Affected</b>	<ul style="list-style-type: none"> <li>• Medicare Carriers</li> <li>• Fiscal Intermediaries (FIs)</li> <li>• A/B Medicare Administrative Contractors (A/B MACs)</li> </ul>
<b>Provider Types Affected</b>	Providers and laboratories submitting claims to Medicare Carriers, FIs, and/or A/B MACs for ESRD services provided to Medicare beneficiaries



Change Request (CR) 6245 clarifies existing policies related to laboratory billing procedures for ESRD-related laboratory services furnished to hospital-based and independent dialysis facility patients. The policies are located in Chapters 8 and 16 of the *Medicare Claims Processing Manual* (<http://www.cms.hhs.gov/manuals/Downloads/clm104c16.pdf>).

### Separately Billable ESRD Laboratory Tests

**Provider Needs to Know...**

- Hospital-based laboratories providing separately billable laboratory services to dialysis patients of the hospital's dialysis facility or another dialysis facility bill and are paid in accordance with the hospital outpatient laboratory provisions in Chapter 16, Section 40.3 in the *Medicare Claims Processing Manual*.
- If the ESRD patient also receives other hospital outpatient services on the same day as a specimen collection and/or laboratory test, then the patient is considered to be a registered hospital outpatient and cannot be considered to be a non-patient on that day for purposes of the specimen collection and laboratory test.
- When the patient does not also receive hospital outpatient services on the same day as the specimen collection and/or laboratory test, then the hospital may choose to register the beneficiary as an outpatient for the specimen collection or bill for these services as non-patient on the 14x bill type.

- Independent laboratories and independent dialysis facilities with the appropriate clinical laboratory certification in accordance with the Clinical Laboratory Improvement Act may be paid for ESRD clinical laboratory tests that are separately billable.
- The laboratories and independent dialysis facilities are paid for separately billable clinical laboratory tests according to the Medicare laboratory fee schedule for independent laboratories.
- Providers should see Chapter 16, Section 40.3 of the *Medicare Claims Processing Manual* for details on Part B hospital billing rules for laboratory services.

**Skilled Nursing Facility (SNF) Consolidated Billing (CB)**

- Beneficiaries in a SNF Part A stay are eligible for a broad range of diagnostic services as part of the SNF Part A benefit.
- When a hospital laboratory is billing for laboratory services ordered by an ESRD facility and the patient (beneficiary) is a SNF resident under a Part A stay, the hospital laboratory must use the "CB" modifier for those services excluded from consolidated billing.
- Physicians ordering medically necessary diagnostic tests not directly related to the beneficiary's ESRD are subject to the SNF consolidated billing requirements. Physicians may bill the contractor for the professional component of these diagnostic tests.
- In most cases, however, the technical component of diagnostic tests is included in the SNF Prospective Payment System rate and is not separately billable to the contractor.

Background N/A

Operational Impact Medicare contractors will not search their files to adjust the claims. However, if providers have claims that may not have been paid correctly based on the above clarifications, contractors will adjust claims that are brought to their attention.

Reference Materials

The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6245.pdf> on the CMS website.

The official instruction (CR6245) issued regarding this change may be found at <http://www.cms.hhs.gov/Transmittals/downloads/R1655CP.pdf> on the CMS website. The clarified policy chapters are attached to CR6245.