



Provider Inquiry Assistance

Implementation of Changes in End Stage Renal Disease (ESRD) Payment for Calendar Year (CY) 2009 – JA6216

Note: MLN Matters® article MM6216 was revised to add a reference to the related article for additional information regarding ESRD payment changes for 2010, which may be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6679.pdf> on the CMS website.

Related CR Release Date: December 12, 2008 **Revised**

Date Job Aid Revised: January 21, 2010

Effective Date: January 1, 2009

Implementation Date: January 5, 2009

Key Words	MM6216, CR6216, R98BP, R1648CP, ESRD, Payment
Contractors Affected	<ul style="list-style-type: none"> Fiscal Intermediaries (FIs) Part A/B Medicare Administrative Contractors (A/B MACs)
Provider Types Affected	Physicians, providers, and suppliers submitting claims to Medicare FIs and/or A/B MACs for ESRD services provided to Medicare beneficiaries



- Change Request (CR) 6216 provides payment updates for ESRD facilities for CY2009.
- In addition to the rate changes, the *Medicare Benefit Policy Manual* and *Medicare Claims Processing Manual* are amended by CR6216 to reflect the payment changes for Medicare-certified ESRD facilities.

CR6216 Payment Changes for Medicare-Certified ESRD Facilities for CY 2009

Provider Needs to Know...

- There is an update to the base composite payment rate with a 1 percent increase resulting with a base rate of \$133.81 for both hospital-based and independent renal dialysis facilities;
- There is a zero growth update to the drug add-on adjustment. Therefore, the per treatment drug add-on amount of \$20.33 will remain from CY 2008.

- It is necessary to adjust the drug add-on adjustment to offset the 1 percent increase in the composite payment rate to ensure that the per treatment drug add-on amount stays \$20.33.
- The total drug add-on adjustment to the composite payment rate is 15.2 percent.
- There is an update to the wage index adjustments to reflect the current wage data;
- There is a reduction in the wage index floor from 0.7500 to 0.7000, then after applying a budget neutrality factor of 1.056689, the wage index floor is 0.7397; and
- The wage index is 100 percent Core-Based Statistical Area-based. The wage index tables are located in addendums G and H in the Physician Fee Schedule's final rule (i.e., CMS-1403-FC) published on November 19, 2008, which is available at <http://www.cms.hhs.gov/center/physician.asp> on the CMS website.

Background

- The Medicare Improvements for Patient and Providers Act of 2008 (MIPPA; Section 153) amended the Social Security Act (Section 1881(b)(12)) to require a 1 percent increase to the ESRD composite payment rate and that hospital-based dialysis facilities are paid the same composite payment rate as independent dialysis facilities.
- Other changes include:
 - An update to the drug add-on adjustment to the composite payment rate;
 - An update to the wage index adjustments to reflect current wage data, including a revised budget neutrality adjustment; and
 - A reduction in the wage index floor.

Operational Impact

N/A

Reference Materials

The related MLN Matters® article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6216.pdf> on the CMS website.

The official instruction (CR6216) issued regarding this change was in two transmittals, one that revises the *Medicare Claims Processing Manual* and one that revises the *Medicare Benefit Policy Manual*. These transmittals may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R1648CP.pdf> and <http://www.cms.hhs.gov/Transmittals/downloads/R98BP.pdf>, respectively, on the CMS website.