



Validating the Billing of End Stage Renal Disease (ESRD) 50/50 Rule Modifier – JA6683

Note: MLN Matters® article was revised to reflect the revised Change Request (CR) 6683 that was issued on March 23, 2010. The CR release date, transmittal number, and the Web address for accessing CR6683 were revised in the article. All other information remains the same.

Related CR Release Date: March 23, 2010 **Revised**

Date Job Aid Revised: March 30, 2010

Effective Date: Claims processed on or after
April 5, 2010

Implementation Date: April 5, 2010

Key Words MM6683, CR6683, R661OTN, Billing, Renal, Disease, ESRD, 50/50

Contractors Affected

- Medicare Carriers
- Part A/B Medicare Administrative Contractors (A/B MACs)

Provider Types Affected MLN Matters® article MM6683 is for physicians, laboratories, and providers billing Medicare Carriers or A/B MACs for Automated Multi-Channel Chemistry (AMCC) ESRD-related tests provided to Medicare beneficiaries.



CR6683 creates the functionality in Medicare systems to check that claims for AMCC ESRD-related tests for an ESRD beneficiary that were ordered by a physician from the dialysis facility use the ESRD 50/50 rule modifiers properly. **Claims validation will begin with claims processed on or after April 5, 2010.**

Provider Needs to Know...

- CR6683 advises that effective with claims processed on or after April 5, 2010, Medicare will validate claims for AMCC ESRD-related tests provided to a beneficiary who is ESRD-eligible to ensure the provider's compliance with billing instructions, regarding the use of the ESRD 50/50 rule modifiers CD, CE, and CF.
- The payment of certain ESRD laboratory services performed by an independent laboratory is included in the composite rate calculation for ESRD facilities.
- When billing Medicare for AMCC ESRD-related tests, laboratories must indicate which tests are (or are not) included within the ESRD facility composite rate to ensure proper reimbursement.

- The ESRD 50/50 rule classifies AMCC ESRD-related tests according to the following categories:
 - AMCC test ordered by an ESRD facility (or a physician included in the monthly capitation payment (MCP), i.e., a MCP physician) that is part of the composite rate and is not separately billable;
 - AMCC test ordered by an ESRD facility (or MCP physician) that is a composite rate test but is beyond the normal frequency covered under the rate and is separately reimbursable based on medical necessity; and
 - AMCC test ordered by an ESRD facility (or MCP physician) that is not part of the composite rate and is separately billable.
- When billing for AMCC ESRD-related tests, the laboratory must include the appropriate modifier for each test, as follows:
 - **Modifier CD** – "AMCC test has been ordered by an ESRD facility (or MCP physician) that is part of the composite rate and is not separately billable";
 - **Modifier CE** – "AMCC test has been ordered by an ESRD facility (or MCP physician) that is a composite rate test but is beyond the normal frequency covered under the rate and is separately reimbursable based on medical necessity"; or
 - **Modifier CF** – "AMCC test has been ordered by an ESRD facility (or MCP physician) that is not part of the composite rate and is separately billable."
- The proportion (or percentage) of composite tests to non-composite tests billed is used to determine whether separate payment may be made for all tests performed on the same day for the same beneficiary.
- Physicians, providers, and suppliers billing AMCC ESRD-related tests to Medicare must report CD, CE, or CF modifiers for each test.
- **If at least one of the three modifiers is not shown for one of the AMCC ESRD-related test codes, all AMCC ESRD-related tests on the claim will be returned as unprocessable.**
- When an organ disease panel (i.e., 80076, 80047, 80048, 80053, 80069, 80061, or 80051 in the chart attached to CR6683) is billed on a claim, regardless of whether CD, CE, or CF modifier is used, the claim will be returned as unprocessable.
- If the beneficiary is not ESRD-eligible, or if the ordering physician is not an MCP physician, then the Medicare contractor will process the claim as acceptable and payable as a non-ESRD claim.

Background

- The billing instructions to be validated were discussed in MLN Matters® article MM3890 and are available at <http://www.cms.gov/MLN MattersArticles/downloads/MM3890.pdf> on the CMS website.

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- They were added to the *Medicare Benefit Policy Manual*, Chapter 11, Section 30.2.2 and the *Medicare Claims Processing Manual*, Chapter 16, Section 40.6.1. These manuals are available at <http://www.cms.gov/Manuals/IOM/list.asp> on the CMS website.
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Operational Impact	N/A
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Reference Materials

The related MLN Matters® article can be found at <http://www.cms.gov/MLNMattersArticles/downloads/MM6683.pdf> on the CMS website.

The official instruction (CR6683) issued regarding this change may be found at <http://www.cms.gov/Transmittals/downloads/R661OTN.pdf> on the CMS website. The chart attached to CR6683 identifies the AMCC ESRD-related tests.

The fact sheet, *Outpatient Maintenance Dialysis End-Stage Renal Disease*, provides general information about outpatient maintenance dialysis for ESRD, the composite payment rate system, and separately billable items and services. The fact sheet is available at <http://www.cms.gov/MLNProducts/downloads/ESRDpaymtfctsh08-508.pdf> on the CMS website.
