



MLN Matters®



Information for Medicare Fee-For-Service Health Care Professionals

Related Change Request (CR) #: 3119

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MMA-Restoring Composite Rate Exceptions for Pediatric Facilities Under the End Stage Renal Disease (ESRD) Composite Rate System

Note: This article was updated on April 23, 2013, to reflect current Web addresses. All other information remains unchanged. See MLN Matters®, MM7064, at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7064.pdf> regarding where to get information on the new ESRD PPS and consolidated billing for limited Part B services

Provider Types Affected

Pediatric ESRD facilities.

Provider Action Needed



STOP

If you meet the definition of a pediatric ESRD facility and do not have an approved exception rate, you may be able to request an exception between April 1, 2004 and September 27, 2004.



CAUTION

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) has revised the definition of a pediatric ESRD facility to mean a renal facility in which at least 50% of its patients are under 18 years of age.



GO

If you meet these criteria and do not have an approved exception to the composite payment rate, you can apply for one to your intermediary between April 1, 2004, and September 27, 2004.

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This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

Background

A hospital-based or independent pediatric renal dialysis facility may request CMS to approve an exception to the composite payment rate and set a higher payment rate if:

- Your estimated allowable cost per treatment is higher than your composite rate; and
- If you meet the definition of a pediatric ESRD facility.

In accordance with MMA requirements, CMS has revised section 422(a)(2) of the Benefits Improvement and Protection Act of 2000 to:

- (a) Provide that pediatric exception rates in effect on October 1, 2002 will continue in effect so long as the exception rate exceeds the facility's updated composite payment rate; and
- (b) Restore the exceptions process for pediatric facilities only.

If you did not have an approved exception rate as of October 1, 2002, MMA Section 623(b)(1)(D) allows you to submit a request for a new exception to your intermediary between April 1, 2004 and September 27, 2004.

The MMA also revises the definition of a pediatric ESRD facility. The statute defines the term "pediatric facility" to mean a renal facility in which at least 50% of your patients are individuals under 18 years of age. If you meet these criteria and project, on the basis of prior years cost and utilization trends, that you will have an allowable cost per treatment higher than your prospective rate, you may request CMS to approve an exception to that rate and set a higher payment rate.

CMS will adjudicate these exception requests in accordance with the exception criteria contained in 42 CFR 413.180 and the Provider Reimbursement Manual, Part I, Chapter 27. However, be aware that your pediatric exception request will be denied if:

- You do not adequately justify the request in accordance with regulations or program instructions; and/or
- Your request isn't received by your intermediary before close of business on September 27, 2004.

An exception request is deemed approved unless CMS disapproves it within 60 working days after it is filed with the intermediary. The first day of this 60-working-day deadline is the date that the exception request, containing all of the required documentation, is filed with the intermediary. Therefore, you must send your request to the intermediary through a method which documents the date of receipt. A postmark or other similar date will not serve as documentation of the date of receipt.

Additional Information

Additional information is contained in the provider Reimbursement Manual Part I, Sections 2720.0-2726.2; 42 CFR 413.180 and PRM, Part I, Chapter 27. To access that manual, go to <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/index.html> on the CMS website.

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Also, to view the actual instruction issued to your intermediary on this change, visit <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R101CP.pdf> on the CMS website.

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