



The *Guidelines for Teaching Physicians, Interns, and Residents Fact Sheet* (July 2007 version), which provides information about payment for physician services in teaching settings and general documentation guidelines, is now available in print format from the Centers for Medicare & Medicaid Services Medicare Learning Network. To place your order, please visit <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNGenInfo/index.html> scroll down to "Related Links Inside CMS" and select "MLN Product Ordering Page."

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

**Note:** This article was updated on July 12, 2013, to reflect current Web addresses. All other information remains unchanged.

### Provider Types Affected

Physicians and other practitioners who bill Medicare contractors (carriers or Medicare Administrative Contractors (A/B MAC)) for providing outpatient end stage renal disease (ESRD) services to Medicare Beneficiaries.

### What You Need to Know

CR 5931, from which this article is taken, 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 changes in the payment methodology for ESRD services (as discussed in the CY 2004 and CY 2005 Medicare physician fee schedule final rules).

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ESRD related services (per full month), as described by Current Procedural Terminology (CPT) codes 90918-90921, and those (less-than-full-month), as described by CPT codes 90922-90925, are no longer valid for Medicare. They have been replaced by Healthcare Common Procedure Coding System (HCPCS) codes G0308 through G0327 (HCPCS codes G0308-G0319 are used for center based patients on dialysis, HCPCS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).

These policies have been discussed in prior communications to providers and CMS is now incorporating these changes into their manuals. Thus, while this article is informational in nature, be sure that your billing staffs are aware of these coding policies for ESRD services.

## Background

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In the Federal Register published November 7, 2003, (68 FR 63216), CMS established new G codes for managing dialysis patients; with varying monthly capitation payments (MCP) based on 1) the number of visits provided within each month, and 2) the beneficiary's age.

Under this payment methodology, physicians bill separate codes for providing one end stage renal disease (ESRD) related visit per month, two to three visits per month, or four or more visits per month; and in turn, 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, 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 (CPT code 90999). To view the related MLN Matters article on "Payment for Outpatient ESRD-Related Services", please visit <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM3414.pdf> on the CMS website.

Subsequently, in the Federal Register published November 15, 2004, (69 FR 66357), CMS: 1) 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 2)

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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 CR 3414.

Finally, CR3595, "Emergency Update to the CY 2005 Physician Fee Schedule Data Base", which is discussed in MLN Matters article MM3595 at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM3595.pdf> on the CMS website, published 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).

Now, CR 5931, from which this article is taken, 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.

Additionally, it notifies you that this section has been reorganized. Some of the information previously contained in sections 140.1 and 140.2 has been moved to section 140; and the title of section 140.1 has been changed to "Payment for ESRD-Related Services Under the Monthly Capitation Payment (Center Based Patients)" and the title of section 140.2 has been changed to "Payment for ESRD-Related Services (Per Diem)". Further, Sections 140.5, (Determining MCP Amount for Physician's Service to Maintenance Dialysis Patients) and 140.51 (Temporary Absence Under MCP) were deleted from chapter 8 as these sections are superseded by the new instructions.

**NOTE: ESRD-related services as described by Healthcare Common Procedure Coding System (HCPCS) codes G0308 - G0327 are already included as part of the HCPCS payment file, and Medicare contractors are currently making payment for these service**

## Additional Information

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You can see these policies for the payment for outpatient ESRD-related services by going to CR 5931, located at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1456CP.pdf> on the CMS website. You will find the updated *Medicare Claims Processing Manual*, Chapter 8 (Outpatient ESRD Hospital, Independent Facility, and Physician/Supplier Claims),

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

You might also want to look at MLNMatters articles **Payment for Outpatient ESRD-Related Services** (September 17, 2004) and **Emergency Update to the 2005 Medicare Physician Fee Schedule Database (MPFSDB)** (December 23, 2004) which you can find at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM3414.pdf> and <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM3595.pdf> on the CMS website,

If you have any questions, please contact your carrier or /B MAC at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

**News Flash - It's Not Too Late to Give and Get the Flu Shot!** In the U.S., the peak of flu season typically occurs anywhere from late December through March; however, flu season can last as late as May. Each office visit presents an opportunity for you to talk with your patients about the importance of getting an annual flu shot and a one time pneumococcal vaccination. Protect yourself, your patients, and your family and friends by getting and giving the flu shot. **Don't Get the Flu. Don't Give the Flu. Get Vaccinated!** Remember - Influenza and pneumococcal vaccinations and their administration are covered Part B benefits. Note that influenza and pneumococcal vaccines are NOT Part D covered drugs. You and your staff can learn more about Medicare's coverage of adult immunizations and related provider education resources, by reviewing Special Edition MLN Matters article SE0748 at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/SE0748.pdf> on the CMS website.

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