

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



MLN Matters® Number: MM7388

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Implementation Date: October 3, 2011

End Stage Renal Disease (ESRD) Low Volume Adjustment and Establishing Quarterly Updates to the ESRD Prospective Payment System (PPS)

Note: This article was revised on March 2, 2016, to add a reference to MLN Matters® article [MM9478](#) which, effective January 1, 2016, removed the grandfathering of ESRD facilities that were Medicare certified prior to January 1, 2011, and changed the geographic proximity criteria for the LVPA. All other information remains the same.

Provider Types Affected

End Stage Renal Dialysis Providers submitting claims to Medicare contractors (Fiscal Intermediaries (FIs) and/or A/B Medicare Administrative Contractors (A/B MACs)) for services provided to Medicare beneficiaries are affected.

What You Need to Know

This article is based on Change Request (CR) 7388 which provides instructions for the ESRD low volume adjustment for low volume facilities. CR 7388 allows for receiving the per treatment low volume adjustment payment after any applicable transitional blend is applied in a separate field.

Background

The End Stage Renal Disease (ESRD) Prospective Payment System (PPS) implemented on January 1, 2011, provides for payment adjustments to low volume facilities. The low volume adjustment is included in the per treatment PPS reimbursement amount that is sent

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from the PRICER program to the Fiscal Intermediary Shared System (FISS).

End Stage Renal Dialysis Providers may be eligible to receive a Low Volume Facility Adjustment to their rate if they meet certain criteria as outlined in Change Request (CR) 7064 (Transmittal 2134, dated January 14, 2011) as follows:

“Low-Volume Facility Adjustment: Providers will receive an adjustment to their ESRD PPS rate when the facility furnished less than 4,000 treatments in each of the three years preceding the payment year and has not opened, closed, or received a new provider number due to a change in ownership during the three (3) years preceding the payment year. The 3 years preceding treatment data should be reflected on the last 2 settled cost reports and the most recent must be filed. The provider must notify their Medicare Contractor if they believe they are eligible for the low-volume adjustment.”

Note: Pediatric dialysis treatments are not eligible for the low-volume adjustment.

You can find CR 7064 at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R2134CP.pdf> or its corresponding MLN Matters® article at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM7064.pdf> on the CMS website.

If they meet the above criteria, the ESRD facility must notify their Medicare Contractor if they believe they are eligible for the low-volume adjustment.

Change Request (CR) 7388 allows for receiving the per treatment low volume adjustment payment after any applicable transitional blend is applied in a separate field.

Additional Information

The official instruction, CR 7388, issued to your FIs and A/B MACs regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R2195CP.pdf> on the Centers for Medicare & Medicaid Services (CMS) website. More information on the ESRD PPS is available at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ESRDpayment/index.html> on the same website.

If you have any questions, please contact your FI or A/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.

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DOCUMENT HISTORY

Date of Change	Description
March 2, 2016	The article was revised to add a reference to MLN Matters® article MM9478 which, effective January 1, 2016, removed the grandfathering of ESRD facilities that were Medicare certified prior to January 1, 2011, and changed the geographic proximity criteria for the LVPA.
December 5, 2014	The article was revised to add a reference to MLN Matters® article MM8898 that alerts providers to the clarification of two criteria required for the validation of the ESRD PPS low volume payment adjustment (LVPA). These are the criteria related to: (1) the treatment count requirements for hospital-based ESRD facilities using cost report data and other supporting documents, and (2) when a change of ownership for any ESRD facility does not result in a new provider access transaction number (PTAN) but does result in a new cost reporting period.

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