

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



The ICD-10-related implementation date is now October 1, 2015. The switch to the new code set will affect every aspect of how your organization provides care, but with adequate planning and preparation, you can ensure a smooth transition for your practice. Keep Up to Date on ICD-10. Please visit the [ICD-10](#) website for the latest news and resources to help you prepare.

MLN Matters® Number: MM7858

Related Change Request (CR) #: CR 7858

Related CR Release Date: June 8, 2012

Effective Date:

Effective date for updates to the ESRD PPS consolidated billing requirements: **October 1, 2012**

Effective date for updates to ESRD-related drugs and biologicals: **July 1, 2012**

Related CR Transmittal #: R2486CP

Implementation Date: October 1, 2012

Quarterly Update to the End Stage Renal Disease (ESRD) Prospective Payment System (PPS)

Provider Types Affected

This MLN Matters® Article for Change Request (CR) 7858 is intended for physicians, other providers, and suppliers including End Stage Renal Disease (ESRD) facilities and Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) suppliers who submit claims to Medicare contractors (Durable Medical Equipment Medicare Administrative Contractors (DME MACs), Fiscal Intermediaries (FIs), carriers, and/or A/B Medicare Administrative Contractors (A/B MACs)) for ESRD supplies and services provided to Medicare beneficiaries.

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Provider Action Needed

This article is based on Change Request (CR) 7858 which provides the October 2012 Quarterly Update to the End Stage Renal Disease (ESRD) Prospective Payment System (PPS). See the Background and Additional Information Sections of this article for further details regarding this ESRD PPS update.

Background

The Medicare Improvements for Patients and Providers Act (MIPPA; Section 153(b); see <http://www.gpo.gov/fdsys/pkg/PLAW-110publ275/pdf/PLAW-110publ275.pdf>) required the implementation of an End Stage Renal Disease (ESRD) Prospective Payment System (PPS) effective January 1, 2011.

The ESRD PPS provides a single payment to ESRD facilities that covers all of the resources used in furnishing an outpatient dialysis treatment. This includes supplies and equipment used to administer dialysis (in the ESRD facility or at a patient's home), drugs, biologicals, laboratory tests, training, and support services. Consolidated billing edits established with the implementation of the ESRD PPS prevent payment to other providers and suppliers billing for renal dialysis services. The ESRD PPS provides payment adjustments for co-morbid conditions identified by specific ICD diagnosis codes. The ICD diagnosis codes are updated annually and effective each year on the first day of October. The ESRD PPS also includes consolidated billing requirements for limited Part B services included in the ESRD facility's bundled payment.

The Centers for Medicare & Medicaid Services (CMS) periodically updates the lists of items and services that are subject to Part B consolidated billing and are therefore no longer separately payable when provided to ESRD beneficiaries by providers other than ESRD facilities. The ESRD PPS also provides outlier payments, if applicable, for high cost patients due to unusual variations in the type or amount of medically necessary care. You can find a list of 1) specific diagnosis codes that are eligible for a co-morbidity payment adjustment, 2) items and services that are subject to the ESRD PPS consolidated billing requirements, and 3) outlier services at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ESRDpayment/index.html> on the CMS website.

ICD Diagnosis Coding Updates

There are no new or revised ICD diagnosis codes to implement for the October 1, 2012, ESRD PPS Quarterly Update.

Consolidated Billing Changes

ESRD-Related Drugs and Biologicals

The following new code is being added to the Healthcare Common Procedure Coding System (HCPCS) file for anemia management treatment **effective July 1, 2012**.

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Added HCPCS Code	Short Description	Long Description
Q2047	Peginesatide injection	INJECTION, PEGINESATIDE, 0.1 MG (FOR ESRD ON DIALYSIS)

Peginesatide is used as anemia management for ESRD patients on dialysis, therefore the drug is considered to be always ESRD-related. Separate payment for Q2047 (Peginesatide) will not be made with or without the AY modifier.

The claims shall process the line item as covered with no separate payment under the ESRD PPS and under the ESRD PPS portion of the blended payment during the transition **effective October 1, 2012**. However, ESRD facilities that are receiving a blended payment during the transition will receive separate payment under the composite rate portion of the blend **effective July 1, 2012**.

In accordance with 42 CFR 413.237(a)(1), HCPCS code Q2047 (Peginesatide) is considered to be an eligible outlier service, and it will be included in the outlier calculation when CMS provides a fee amount on the Average Sales Price (ASP) pricing file.

ESRD-Related Equipment and Supplies

The following HCPCS code is being added to the list of items and services that are subject to ESRD PPS consolidated billing requirements **effective October 1, 2012**:

Added HCPCS Code	Long Description
A6216	GAUZE, NON-IMPREGNATED, NON-STERILE, PAD SIZE 16 SQ. IN. OR LESS, WITHOUT ADHESIVE BORDER, EACH DRESSING

HCPCS code A6216 is ESRD-related, however, this supply can be used for reasons other than for the treatment of ESRD, and it is covered under other Medicare benefit categories. Therefore, A6216 may be billed by DME suppliers with the AY modifier to receive separate payment **effective October 1, 2012**.

Changes to Items and Services that Qualify as an Outlier Service

CMS is removing the following Current Procedural Terminology (CPT) code 83875 (Assay of Magnesium) from the list of outlier services. The “Assay of Magnesium” laboratory test was a composite rate service under the basic case-mix adjusted composite rate system. Consequently, it is considered a renal dialysis service under the ESRD PPS. Therefore, this

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laboratory test does not qualify as an outlier service under 42 CFR 413.237 **effective October 1, 2012.**

CR7858 also includes the following two attachments:

- Attachment A which contains the following four tables:
 - DME ESRD Supply HCPCS for ESRD PPS Consolidated Billing Edits;
 - DME ESRD Supply HCPCS Not Payable to DME Suppliers
 - Labs Subject to ESRD Consolidated Billing,
 - Drugs Subject to ESRD Consolidated Billing; and

- Attachment B (Outlier Services) which includes one table with three sections:
 - Oral and Other Equivalent Forms of Injectable Drugs,
 - Laboratory Tests, and
 - Syringes.

Note: The tables in Attachments A & B are updated to include codes A6216 and Q2047, as presented in this article, where applicable.

Additional Information

The official instruction, CR7858, issued to your DME MACs, FIs, and A/B MACs, regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R2486CP.pdf> on the CMS website.

If you have any questions, please contact your DME MACs, FIs, or A/B MACs 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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