



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

MLN Matters Number: MM10818 **Revised**

Related Change Request (CR) Number: CR 10818

Related CR Release Date: June 15, 2018

Effective Date: July 1, 2018

Related CR Transmittal Number: R4073CP

Implementation Date: July 2, 2018

Note: This article was revised on June 19, 2018, to add information on the revenue codes to be used for reporting code Q5105 on the 72x type of bill for ESRD beneficiaries. All other information remains the same.

PROVIDER TYPE AFFECTED

This MLN Matters® Article is intended for End-Stage Renal Disease (ESRD) facilities that submit claims to Medicare Administrative Contractors (MACs) for ESRD services provided to Medicare beneficiaries.

PROVIDER ACTION NEEDED

Change Request (CR) 10818 provides instructions for new codes added to the Healthcare Common Procedure Coding System (HCPCS) file for anemia management that will be included in the list of items and services subject to the ESRD PPS Consolidated Billing (CB) requirements. Make sure your billing staff is aware of the changes.

BACKGROUND

Section 153(b) of the Medicare Improvements for Patients and Providers Act (MIPPA) required the implementation of an End Stage Renal Disease Prospective Payment System (ESRD PPS), effective January 1, 2011.

The ESRD PPS:

- Includes consolidated billing requirements for limited Part B services included in the ESRD facility's bundled payment
- Provides ESRD facilities a single payment that covers all of the resources used to furnish an outpatient dialysis treatment
- Provides outlier payments, if applicable, for high cost patients due to unusual variations in the type or amount of medically necessary care.

The Centers for Medicare & Medicaid Services (CMS) periodically updates the lists of items and services subject to Part B CB, and are therefore no longer separately payable when provided to ESRD beneficiaries by providers other than ESRD facilities.

CR10818 provides instructions for a new code (Q5105 - Injection, epoetin alfa, biosimilar, (Retacrit) 100 units (for esrd on dialysis)) added to the Healthcare Common Procedure Coding System (HCPCS) file for anemia management; and which will be included in the list of items and services subject to the ESRD PPS CB requirements, effective July 1, 2018. This code will be reportable with revenue code 0634 or 0635 on the 72X type of bill for ESRD beneficiaries.

Anemia management is a functional category under the ESRD PPS, and the drugs and biologicals that fall within this category are always considered to be used for the treatment of ESRD. Further, in accordance with 42 CFR 413.237(a)(1), HCPCS Q5105 is considered to be an eligible outlier service and will be included in the outlier calculation. If the pricing data is not available on the ASP drug file, then MACs will manually price the drug using 1847A pricing methodologies. ESRD facilities will not receive separate payment for Q5105, with or without the AY modifier (Item or service furnished to an ESRD patient that is not for the treatment of ESRD), and the claims will process the line item as covered with no separate payment under the ESRD PPS.

In addition, there is a new HCPCS code - Q5106 (Injection, epoetin alfa, biosimilar, (Retacrit) (for non-esrd use), 1000 units). This code will be reportable with revenue code 0636 on the 72X type of bill for individuals with Acute Kidney Injury (AKI). Q5106 is paid for through the AKI payment rate and therefore separate payment is not allowable on the 72X type of bill.

The updated list of renal dialysis services that are subject to the ESRD PPS CB requirements is available at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ESRDpayment/Consolidated_Billing.html. Also, CR10818 has an attachment that is a list of drugs always considered ESRD.

ADDITIONAL INFORMATION

The official instruction, CR10818, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2018Downloads/R4073CP.pdf>.

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

DOCUMENT HISTORY

Date of Change	Description
June 19, 2018	This article was revised to add information on the revenue codes to be used for reporting code Q5105 on the 72x type of bill for ESRD beneficiaries. All other information remains the same.
June 15, 2018	Initial article released.

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