



PQRI Information Available

A new CMS web page dedicated to providing information on the Physician Quality Reporting Initiative (PQRI) is now available.

On December 20, 2006, the President signed the Tax Relief and Health Care Act of 2006 (TRHCA). Section 101 under Title I authorizes the establishment of a physician quality reporting system by CMS. CMS has titled the statutory program the Physician Quality Reporting Initiative. For more information, visit <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/index.html> on the CMS website.

MLN Matters Number: MM5535 Revised

Related Change Request (CR) #: 5535

Related CR Release Date: March 9, 2007

Effective Date: April 1, 2007

Related CR Transmittal #: R67BP

Implementation Date: April 2, 2007

Note: This article was updated on June 15, 2013, to reflect current Web addresses. This article was previously revised to add a reference to MLN Matters article MM7064 which advises providers of outpatient dialysis treatment where to get information on the new ESRD PPS and consolidated billing for limited Part B services. MM7064 may be found at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM7064.pdf> on the CMS website. All other information remains unchanged.

End Stage Renal Disease (ESRD) Composite Payment Rates Update for 2007

Provider Types Affected

Providers and suppliers submitting claims to Medicare Fiscal Intermediaries (FIs) or Part A/B Medicare Administrative Contractors (A/B MACs) for ESRD services provided to Medicare beneficiaries.

Provider Action Needed

This article is based on Change Request (CR) 5535 which informs FIs and Part A/B MACs of the 2007 composite payment rates for ESRD facilities. Be sure billing staff are aware of these changes.

Disclaimer

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

The Social Security Act (Section 1881(b):

http://www.ssa.gov/OP_Home/ssact/title18/1881.htm), as amended by the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA; Section 623), directed that revisions should be made to 1) the composite rate payment system, and 2) payment for separately billable drugs furnished by end stage renal disease (ESRD) facilities.

For services furnished on or after January 1, 2006 (and before April 1, 2007), the current composite rate component of the basic case-mix adjusted system for dialysis services remains unchanged.

On December 20, 2006, the Tax Relief and Health Care Act (TRHCA) of 2006 was enacted, and the TRHCA increased the amount of the composite rate component of the basic case-mix adjusted system by 1.6 percent for services furnished on or after April 1, 2007.

Effective April 1, 2007 the base composite payment rates will be:

- Increased to \$132.49 for independent ESRD facilities, and
- Increased to \$136.68 for hospital-based ESRD facilities.

The Centers for Medicare & Medicaid Services (CMS) also updated the wage adjusted composite rate table that reflects the Metropolitan Statistical Area (MSA)-based ("old") wage data for purposes of calculating the blended wage-adjusted base payment rates for CY 2007, and this table is included as an attachment to CR 5535.

In addition, because the drug add-on adjustment is determined as a percentage of the composite rate, CMS adjusted the drug add-on adjustment to account for the 1.6 percent increase in the composite rate to ensure that the total dollars allocated from the drug add-on adjustment remains constant. Using the updated composite payment rates, the updated drug add-on adjustment is 14.3 percent, and the inflation adjustment of 0.5 percent is unchanged. Therefore, the total drug add-on adjustment for services furnished on or after April 1, 2007 is 14.9 percent.

In summary, no changes are made and the current composite rate remains in effect for services provided between January 1, 2007 and April 1, 2007. CR 5535 implements the following changes to be applied to the composite rate payment for all Medicare certified ESRD facilities for services performed on or after April 1, 2007:

- The base composite rates will be adjusted to include an increase of 1.6 percent, and
- The drug add-on factor is changed to 14.9 percent for services furnished on or after April 1, 2007.

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Additional Information

The official instruction, CR 5535, issued to your FI and A/B MAC regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R67BP.pdf> on the CMS website.

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

Flu Shot Reminder

It's Not Too Late to Give and Get the Flu Shot!

The peak of flu season typically occurs between late December and March; however, flu season can last until May. **Protect yourself, your patients, and your family and friends by getting and giving the flu shot.** Each office visit presents an opportunity for you to talk with your patients about the importance of getting an annual flu shot and a lifetime pneumococcal vaccination. Remember - influenza and pneumococcal vaccination and their administration are covered Part B benefits. Note that influenza and pneumococcal vaccines are NOT Part D covered drugs. For more information about Medicare's coverage of adult immunizations and educational resources, go to CMS' website: <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/SE0667.pdf> on the CMS website.

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