



MLN Matters Number: MM6245 Revised

Related Change Request (CR) #: 6245

Related CR Release Date: December 31, 2008

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Implementation Date: February 2, 2009

Note: This article was revised on April 10, 2018, to update Web addresses. All other information remains the same.

End Stage Renal Dialysis (ESRD) Medicare Claims Processing Manual Clarification

Provider Types Affected

Providers and laboratories submitting claims to Medicare contractors (carriers, Fiscal Intermediaries (FIs), and/or Medicare Administrative Contractors (MACs)) for ESRD services provided to Medicare beneficiaries.

Provider Action Needed

This article is based on change request (CR) 6245 which clarifies existing policies related to laboratory billing procedures for laboratory services furnished to hospital-based and independent dialysis facility patients. Be sure billing staff is aware of these clarifications.

Key Points

CR 6245 clarifies existing policy located in the “Medicare Claims Processing Manual”, Chapters 8 and 16 regarding billing for ESRD related laboratory services. The clarified policy chapters are attached to CR 6245 at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1655CP.pdf>.

The revisions are summarized as follows:

- Hospital-based laboratories providing separately billable laboratory services to dialysis patients of the hospital’s dialysis facility or another dialysis facility bill and are paid in accordance with the hospital outpatient laboratory provisions in Chapter 16, section 40.3.

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This may be reviewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c16.pdf>.

- If the ESRD patient also receives other hospital outpatient services on the same day as a specimen collection and/or laboratory test, then the patient is considered to be a **registered hospital outpatient** and cannot be considered to be a non-patient on that day for purposes of the specimen collection and laboratory test. When the **patient does not also receive hospital outpatient services on the same day as the specimen collection and/or laboratory test, then the hospital may choose to register the beneficiary as an outpatient for the specimen collection or bill for these services as non-patient on the 14x bill type.**
- Independent laboratories and independent dialysis facilities with the appropriate clinical laboratory certification in accordance with the Clinical Laboratory Improvement Act (CLIA) may be paid for ESRD clinical laboratory tests that are separately billable. The laboratories and independent dialysis facilities are paid for separately billable clinical laboratory tests according to the Medicare laboratory fee schedule for independent laboratories. (See Chapter 16, Section 40.3 (as referenced above) for details on Part B hospital billing rules for laboratory services.)
- When a hospital laboratory is billing for laboratory services ordered by an ESRD facility and the patient (beneficiary) is a Skilled Nursing Facility (SNF) resident under a Part A stay, the hospital laboratory must use the “CB” modifier for those services excluded from consolidated billing.
- Beneficiaries in a SNF Part A stay are eligible for a broad range of diagnostic services as part of the SNF Part A benefit. Physicians ordering medically necessary diagnostic tests that are not directly related to the beneficiary’s ESRD are subject to the SNF consolidated billing requirements. **Physicians may bill the contractor** for the professional component of these diagnostic tests. In most cases, however, the **technical component of diagnostic tests is included in the SNF PPS rate and is not separately billable to the contractor.**
- If you have claims that may not have been paid correctly based on the above clarifications, note that your Medicare contractor will not search its files to adjust the claims. However, they will adjust claims that you bring to their attention.

Additional Information

If you have questions, please contact your Medicare MAC, carrier or FI 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>.

Providers may want to review MLN Matters® article MM7064, for information on how certain laboratory services and limited drugs and supplies will be subject to consolidated billing, and will no longer be separately payable when provided by providers other than the renal dialysis facility. MM7064 may be found at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM7064.pdf>.

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The official instruction, CR6245, issued to your Medicare MAC, carrier or FI regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1655CP.pdf>.

Document History

Date of Change	Description
April 10, 2018	This article was revised to update Web addresses.
November 3, 2010	Note: This article was revised on November 3, 2010, to add a reference to MLN Matters® article MM7064 , for information on how certain laboratory services and limited drugs and supplies will be subject to consolidated billing, and will no longer be separately payable when provided by providers other than the renal dialysis facility.
January 8, 2009	Initial article released

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