

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



News Flash – A new fast fact was posted to the [MLN Provider Compliance](#) web page. This page contains educational Fee-For-Service Provider materials to help you understand – and avoid – common billing errors and other improper activities identified through claim review programs. You can review quick tips on relevant provider compliance issues and corrective actions directly from this web page. Please bookmark this page and check back often as a new “fast fact” is added each month!

MLN Matters® Number: MM7626 Revised

Related Change Request (CR) #: 7626

Related CR Release Date: November 18, 2011

Effective Date: January 1, 2012

Related CR Transmittal #: R2347CP

Implementation Date: January 3, 2012

Recoupment of Incorrect Payments Made Under the End Stage Renal Disease (ESRD) Prospective Payment System (PPS) for the Low-Volume Payment Adjustment

Note: This article was revised on March 6, 2012, to add a reference to MLN Matters® Article MM7688 available at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM7688.pdf> for information on the new standard immediate recoupment process that gives providers the option to avoid interest from accruing on claims overpayments when the debt is recouped in full by the 30th day from the initial demand letter. All other information remains the same.

Provider Types Affected

End Stage Renal Disease (ESRD) providers submitting claims subject to the low-volume payment adjustment to Medicare contractors (Fiscal Intermediaries (FIs) and A/B Medicare Administrative Contractors (A/B MACs)) for services provided to Medicare beneficiaries are affected by this article.

Disclaimer

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What You Need to Know

This article is based on Change Request (CR) 7626, which notifies FIs and A/B MACs that they are to perform the necessary claim adjustments to rescind the low volume payment adjustment for ESRD facilities not meeting the criteria to receive the low-volume payment adjustment.

Medicare contractors must validate the ESRD facility's eligibility for the low volume adjustment. If a Medicare contractor determines that an ESRD facility has received the low volume adjustment in error, the contractor is required to adjust all of the ESRD facility's affected claims to remove the adjustment within 6 months of finding the error.

ESRD facilities subjected to recoupment of low-volume adjustment overpayments as a result of failing to meet the low-volume adjustment eligibility criteria will not be eligible to receive the low volume payment until it has met the eligibility criteria. Be sure to inform your billing staffs of these changes.

Background

The Medicare Improvements for Patients and Providers Act (MIPPA) requires the implementation of an ESRD PPS, effective January 1, 2011, and requires that the ESRD PPS establish a low-volume payment adjustment. On August 12, 2010, the Centers for Medicare & Medicaid Services (CMS) published in the Federal Register the final rule implementing the ESRD PPS (75 FR 49030). In the ESRD PPS final rule for Calendar Year (CY) 2011 (75 FR 49200), CMS finalized 42 CFR Section 413.232, which specifies the eligibility criteria for an ESRD facility to qualify for the low-volume payment adjustment. An ESRD facility is eligible for the low-volume payment adjustment only when it has met these criteria.

Each year, ESRD facilities will need to submit the low-volume attestation no later than November 1. However, for CY 2012, because the ESRD PPS final rule was not published in enough time to give the ESRD facilities notification of this mandatory deadline, CMS is extending the deadline to January 3, 2012. This will provide the FI or A/B MACs enough time to perform low-volume eligibility verifications and update the applicable provider specific files for attestations received on or before that date, because the first claim submissions will not occur until early February 2012.

An ESRD facility that is subjected to recoupment of low-volume adjustment overpayments as a result of failing to meet the low-volume adjustment eligibility criteria will not be eligible to receive the low volume payment until it has met the eligibility criteria as specified in 42 CFR Section 413.232.

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Additional Information

You may wish to review the criteria for a low volume facility and instructions on how to receive the ESRD low volume adjustment for low volume facilities by going to MLN Matters® article MM7388, "End Stage Renal Disease (ESRD) Low Volume Adjustment and Establishing Quarterly Updates to the ESRD Prospective Payment System (PPS)," available at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM7388.pdf> on the CMS website.

MLN article MM7064, "End Stage Renal Disease (ESRD) Prospective Payment System (PPS) and Consolidated Billing for Limited Part B Services," is available at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM7064.pdf> on the 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 CMS website.

The official instruction, CR7626, 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/R2347CP.pdf> on the CMS website.

If you have any questions, please contact your FI 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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