

# CMS Manual System

## Pub 100-04 Medicare Claims Processing

Transmittal 441

Department of Health &  
Human Services  
Center for Medicare and  
&  
Medicaid Services  
Date: JANUARY 21, 2005  
Change Request 3546

**SUBJECT: VMS Changes to DMERC Processing of Method II Home Dialysis Claims**

**I. SUMMARY OF CHANGES:** This CR automates tracking the payment cap for Method II home dialysis claims at the DMERCs and increases efficiencies in processing Method II home dialysis claims at the DMERCs.

**NEW/REVISED MATERIAL :**

**EFFECTIVE DATE : July 1, 2005**

**IMPLEMENTATION DATE : July 5, 2005**

*Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual is not updated)

R = REVISED, N = NEW, D = DELETED – *Only One Per Row.*

R/N/D	Chapter / Section / SubSection / Title
N/A	N/A

**III. FUNDING:**

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.

**IV. ATTACHMENTS:**

**One-Time Notification**

*\*Unless otherwise specified, the effective date is the date of service.*

# Attachment – One-Time Notification

Pub. 100-04	Transmittal: 441	Date: January 21, 2005	Change Request 3546
-------------	------------------	------------------------	---------------------

**SUBJECT: VMS Changes to Processing of Method II Home Dialysis Claims**

## **I. GENERAL INFORMATION**

### **A. Background:**

The Durable Medical Equipment Regional Carriers (DMERCs) are experiencing several problems processing claims for Method II home dialysis.

The first problem involves tracking line items to determine when a claim reaches either the monthly payment cap of \$1974.45 for continuous cycling peritoneal dialysis (CCPD) or the monthly payment cap of \$1490.85 for all other modes of home dialysis. Currently, although the VMS system does automatically track line items to determine when a beneficiary has reached the monthly cap on dialysis payment, it does not carry out to cents and does not perform the calculation until after the claim reaches pricing screens requiring manual intervention. This instruction corrects these deficiencies in the system to increase efficiency.

The second problem involves the Accumulation File Number Parameters (AFN) that VMS sets up to accept the home dialysis line items for calculation of the cap. The current ANF accepts line items with submitted charges up to \$9,999.99. However, the DMERCs have been receiving some line items with submitted charges greater than \$9,999.99. Therefore, we are addressing this problem by expanding the AFN. Although payment to Method II suppliers is limited to the caps referenced above, suppliers may still submit line items with charges up to \$99,999.99.

This instruction automates calculating the payment caps for home dialysis and revises the AFN to capture line item charges up to \$99,999.99.

### **B. Policy:**

Medicare pays for claims for equipment and supplies for Home Dialysis for Method II patients limited to a monthly cap of \$1974.45 for CCPD and \$1490.85 for all other modes of home dialysis.

**C. Provider Education:** None.

## **II. BUSINESS REQUIREMENTS**

*"Shall" denotes a mandatory requirement*

*"Should" denotes an optional requirement*

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
3546.1	The shared systems maintainer shall implement new edits to calculate the calendar-month payment caps for Method II home dialysis beneficiaries on an automated basis. This process shall include claims on history and shall carry out to cents (\$1974.45 for CCPD and \$1490.85 for all other modes of home dialysis).							X		
3546.1.1	The automated calculation of monthly payment caps for Method II home dialysis beneficiaries shall occur before the claim reaches edits for manual pricing.							X		
3546.1.2	In accordance with Publication 100-4, Chapter 8, Section 90.3.3, the DMERCs shall not calculate prices for dialysis codes that do not have an established price unless the payment cap has not yet been met.				X					
3546.1.3	DMERCs shall disable any local programming they had previously implemented to track the monthly payment caps for Method II home dialysis.				X					
3546.2	The shared system maintainer shall expand Method II home dialysis AFN parameters to accept line item charges up to \$99,999.99.							X		

### III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

#### A. Other Instructions: N/A

X-Ref Requirement #	Instructions

#### B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

--	--

**C. Interfaces: N/A**

**D. Contractor Financial Reporting /Workload Impact: N/A**

**E. Dependencies: N/A**

**F. Testing Considerations: N/A**

**IV. SCHEDULE, CONTACTS, AND FUNDING**

<p><b>Effective Date*:</b> July 1, 2005</p> <p><b>Implementation Date:</b> July 5, 2005</p> <p><b>Pre-Implementation Contact(s):</b> Renée Hildt (<a href="mailto:rhildt@cms.gov">rhildt@cms.gov</a>) or at (410) 786-1446</p> <p><b>Post-Implementation Contact(s):</b> Appropriate regional office</p>	<p><b>No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.</b></p>
--	--

**\*Unless otherwise specified, the effective date is the date of service.**