

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-20 One-Time Notification</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 1264</b>	<b>Date: July 26, 2013</b>
	<b>Change Request 8368</b>

**SUBJECT: Addition of the End Stage Renal Disease (ESRD) Facilities Located in the Pacific Rim to the ESRD Prospective Payment System (PPS)**

**I. SUMMARY OF CHANGES:** This instruction provides the requirement that the Pacific Rim ESRD facilities begin being paid under the ESRD PPS effective January 1, 2014.

**EFFECTIVE DATE: January 1, 2014**

**IMPLEMENTATION DATE: January 6, 2014**

*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.

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
N/A	

**III. FUNDING:**

**For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:**

No additional funding will be provided by CMS; Contractors activities are to be carried out with their operating budgets

**For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC statement of Work. The contractor is not obliged to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**IV. ATTACHMENTS:**

**One Time Notification**

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

# Attachment - One-Time Notification

Pub. 100-20	Transmittal: 1264	Date: July 26, 2013	Change Request: 8368
-------------	-------------------	---------------------	----------------------

**SUBJECT: Addition of the End Stage Renal Disease (ESRD) Facilities Located in the Pacific Rim to the ESRD Prospective Payment System (PPS)**

**EFFECTIVE DATE: January 1, 2014**  
**IMPLEMENTATION DATE: January 6, 2014**

## I. GENERAL INFORMATION

**A. Background:** The ESRD facilities located in the United States Territories of Guam, American Samoa, and the Northern Mariana Islands (the Pacific Rim) were removed from the initial implementation of the ESRD PPS because these facilities were previously not paid under the basic case-mix adjusted composite rate payment system. All ESRD facilities are required by statute to be paid fully under the ESRD PPS by January 1, 2014.

**B. Policy:** The ESRD facilities located in the Pacific Rim are subject to the ESRD PPS in accordance with the Medicare Improvement for Patients and Providers Act (MIPPA) 153b and existing ESRD instructions provider in CMS Publication 100-04, chapter 8. Full PPS payment implementation is required for claims with dates of service on or after January 1, 2014. The CY 2014 wage index file provided with the annual update instructions will include a Core-Based Statistical Area (CBSA) with a corresponding wage index value for each of these areas. No new ESRD PPS payment policy is being implemented with this instruction and therefore, no changes to Publication 100-04 are required.

## II. BUSINESS REQUIREMENTS TABLE

*"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.*

Number	Requirement	Responsibility											
		A/B MAC			D M E	F I	C A R I	R H R I	Shared- System Maintainers				Other
		A	B	H H H					F I S	M C S	V M S	C W F	
8368.1	Medicare contractors shall apply all requirements of the ESRD PPS (as defined by CR 7064) to ESRD facilities located in the Pacific Rim islands (Guam, American Samoa and Saipan that are represented by provider state codes '64', '65' and '66') effective for type of bill 72x with dates of service on or after January 1, 2014.  <b>NOTE:</b> The ESRD PRICER logic will be revised to include these facilities in the ESRD PPS.	X				X			X				
8368.2	For claims with dates of service on or after January 1, 2014, Medicare contractors shall apply the same payment rules applicable to the separately billable items and services billed with the AY modifier for the ESRD facilities in the	X				X			X				

Number	Requirement	Responsibility											
		A/B MAC			D M E	F I	C A R R I E R	R H I	Shared-System Maintainers				Other
		A	B	H H H					F I S S	M C S S	V M S S	C W F	
	Pacific Rim as is does for all other ESRD providers (i.e. separately payable drugs with AY modifier are subject to the Average Sales Price payment, labs billed with the AY modifier are subject to the fee schedule).												

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility							
		A/B MAC			D M E	F I	C A R R I E R	R H I	Other
		A	B	H H H					
8368.3	MLN Article: A provider education article related to this instruction will be available at <a href="http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/">http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X				X			

### IV. SUPPORTING INFORMATION

**Section A: Recommendations and supporting information associated with listed requirements: N/A**

*"Should" denotes a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:

**Section B: All other recommendations and supporting information: N/A**

## **V. CONTACTS**

**Pre-Implementation Contact(s):** Wendy Tucker, wendy.tucker@cms.hhs.gov (ESRD Facility Claims), Michelle Cruse, michelle.cruse@cms.hhs.gov (ESRD PPS Policy)

**Post-Implementation Contact(s):** Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

## **VI. FUNDING**

**Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and/or Carriers:**

No additional funding will be provided by CMS; Contractors activities are to be carried out with their operating budgets

**Section B: For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS do not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.