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# CMS Manual System

## Pub. 100-04 Medicare Claims Processing

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Department of Health &  
Human Services (DHHS)  
Centers for Medicare &  
Medicaid Services (CMS)

Transmittal 373

Date: November 19, 2004

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CHANGE REQUEST 3554

**SUBJECT: New ESRD Composite Payment Rates Effective January 1, 2005**

**I. SUMMARY OF CHANGES:** Section 623 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), includes major provisions which affect the development of revised end stage renal disease composite payment rates effective for services furnished on or after January 1, 2005. The statute mandates that the current composite payment rates be increased by 1.6 percent for dialysis treatments furnished on or after January 1, 2005. The statute further mandates that the composite payment rates as increased by the 1.6 percent, must also include a drug add-on adjustment in the amount of 8.7 percent for the difference between the payment amounts for separately billable drugs and biologicals and their acquisition costs, as determined by Inspector General reports.

**NEW/REVISED MATERIAL - EFFECTIVE DATE: January 1, 2005**

**\*IMPLEMENTATION DATE: January 3, 2005**

*Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. 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:**

**(R = REVISED, N = NEW, D = DELETED)**

| <b>R/N/D</b> | <b>CHAPTER/SECTION/SUBSECTION/TITLE</b>  |
|--------------|--|
| <b>R</b>     | 8/30.1/Publication of Composite Rates  |
| <b>R</b>     | 8/30.2/Determining Individual Facility Composite Rate                              |
| <b>R</b>     | 8/50.3/Required Information for In-Facility Claims Paid Under the Composite Rate   |
| <b>R</b>     | 8/60.4/Epoetin Alfa (EPO)  |
| <b>R</b>     | 8/60.4.1/Epoetin Alfa (EPO) Facility Billing Requirement Using UB-92/Form CMS-1450 |
| <b>R</b>     | 8/60.4.3/Payment Amount for Epoetin Alfa (EPO)                                     |
| <b>R</b>     | 8/60.4.3.2/Epoetin Alfa (EPO) Provided in the Hospital Outpatient Departments      |
| <b>R</b>     | 8/60.7/Darbepoetin Alfa (Aranesp) for ESRD Patients                                |

|          |   |
|----------|---|
| <b>R</b> | 8/60.7.1/Darbepoetin Alfa (Aranesp) Facility Billing Requirements Using UB-92/Form CMS-1450 |
| <b>R</b> | 8/60.7.3/Payment Amount for Darbepoetin Alfa (Aranesp)                                      |
| <b>R</b> | 8/60.7.3.2/Payment for Darbepoetin Alfa (Aranesp) in the Hospital Outpatient Department     |

**\*III. FUNDING:**

**These instructions shall be implemented within your current operating budget.**

**IV. ATTACHMENTS:**

|          |                                      |
|----------|--------------------------------------|
| <b>X</b> | <b>Business Requirements</b>         |
| <b>X</b> | <b>Manual Instruction</b>            |
|          | <b>Confidential Requirements</b>     |
|          | <b>One-Time Notification</b>         |
|          | <b>Recurring Update Notification</b> |

**\*Medicare contractors only**

# Attachment – Business Requirements

|             |                  |                         |                     |
|-------------|------------------|-------------------------|---------------------|
| Pub. 100-04 | Transmittal: 373 | Date: November 19, 2004 | Change Request 3554 |
|-------------|------------------|-------------------------|---------------------|

**SUBJECT: New End Stage Renal Disease (ESRD) Composite Payment Rates Effective January 1, 2005**

## I. GENERAL INFORMATION

**A. Background:** Section 623 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), includes major provisions which affect the development of revised ESRD composite payment rates effective for services furnished on or after January 1, 2005. The statute mandates that the current composite payment rates be increased by 1.6 percent for dialysis treatments furnished on or after January 1, 2005. The statute further mandates that the composite payment rates as increased by the 1.6 percent, must also include a drug add-on adjustment in the amount of 8.7 percent for the difference between the payment amounts for separately billable drugs and biologicals and their acquisition costs, as determined by Inspector General reports.

Effective April 1, 2005, each ESRD facility's rate (listed in Table I and Table II) will be case-mix adjusted. Section 623(d) of the MMA requires a basic case-mix adjusted composite rate for ESRD facility services. The case-mix adjusted system shall be for a limited number of patient characteristics. Section 623(d) also requires a budget neutrality adjustment that will also be implemented on April 1, 2005. System changes for the basic case-mix and budget neutrality adjustments will be issued in a subsequent change request to be effective April 1, 2005.

**B. Policy:** The fiscal intermediaries will utilize the attached tables to determine the new composite payment rates for each renal facility located in an urban or rural area. Table I (Attachment 1) lists the new composite payment rates for renal facilities in urban areas. Table II (Attachment 2) lists the new composite payment rates for renal facilities in rural areas. In accordance with the appropriate provisions of §623 of the MMA, the new rates will be calculated as follows: (a) the wage adjusted composite payment rates in effect on December 31, 2004 will be increased by 1.6 percent as required by §623(a)(3); (b) these new rates will be further increased by a drug add-on adjustment (or multiplier) in the amount of 8.7 percent. This drug add-on adjustment represents the difference between our current payment of 95 percent of AWP for separately billed drugs and biologicals, and \$10.00 per 1,000 units for EPO, and the acquisition costs of such drugs and biologicals, as determined by Inspector General reports to the Secretary as required by §623(c) and §623(d)(1)(B) of the MMA. The same drug add-on adjustment applies to both independent and hospital-based ESRD facilities.

In the past no additional payment was made for supplies used to administer EPO/Aranesp. Effective January 1, 2005, the cost for supplies to administer EPO/Aranesp may be billed to the fiscal intermediary.





| Requirement Number | Requirements   | Responsibility (place an "X" in the columns that apply) |      |         |       |                           |     |     |     |       |
|--------------------|--|---|------|---------|-------|---------------------------|-----|-----|-----|-------|
|                    |  | FI  | RHHI | Carrier | DMERC | Shared System Maintainers |     |     |     | Other |
|                    |  |   |      |         |       | FISS                      | MCS | VMS | CBF |       |
| 3554.7.3           | Send copies of the written notifications to:<br>Centers for Medicare and Medicare Services<br>Center for Medicare Management<br>Division of Chronic Care Management<br>C5-05-27<br>7500 Security Blvd.<br>Baltimore, MD 21244-1850 | X   |      |         |       |                           |     |     |     |       |
| 3554.7.4           | The 1.6 percent and 8.7 percent drug add-on increases the payment ceiling to \$159.08. Beginning January 1, 2005, do not pay any renal facility more than \$159.08 unless it has an approved exception payment rate.               | X   |      |         |       |                           |     |     |     |       |
| 3554.8             | FIs shall instruct providers to utilize CC 59 when ESRD beneficiaries receive dialysis services at a facility that is not the beneficiary's home facility.   | X   |      |         |       |                           |     |     |     |       |
| 3554.8.1           | FIs shall instruct the non-home facility providing dialysis services to utilize CC 59 on the Type of Bill (TOB) 72X in conjunction with the appropriate setting CCs.   | X   |      |         |       |                           |     |     |     |       |
| 3554.9.0           | FIs shall instruct ESRD providers to populate Value Code (VC) A8 (weight in Kg up to two decimal places) on TOB 72X.   | X   |      |         |       |                           |     |     |     |       |
| 3554.10            | FIs shall instruct ESRD providers to populate VC A9 (height in cm up to two decimal places) on Type of Bill (TOB) 72X.   | X   |      |         |       |                           |     |     |     |       |
| 3554.11            | The contractors shall accept HCPCS code A4657 with Revenue Code 270 for injection supplies used in the administration of EPO/Aranesp in all Renal Dialysis Facilities (RDF).   | X   |      |         |       | X                         |     |     |     |       |
| 3554.12            | The contractors shall calculate and pay EPO/Aranesp at the same fee schedule as any separately billable drug administered in a RDF.  | X   |      |         |       | X                         |     |     |     |       |

### III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

**A. Other Instructions:**

| <b>X-Ref Requirement #</b> | <b>Instructions</b>   |
|----------------------------|---|
| N/A                        | Chapter 8-Medicare Claims Processing Manual,100-04 in the IOM |

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

| <b>X-Ref Requirement #</b> | <b>Recommendation for Medicare System Requirements</b> |
|----------------------------|--|
|                            |  |

**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**

|   |   |
|---|---|
| <b>Effective Date: December 1, 2004</b><br><b>Implementation Date: January 3, 2005</b><br><b>Pre-Implementation Contact(s):</b><br>Michael Powell, 410-786-4557<br>Patricia Barrett, 410-786-0508<br>Jacqueline Johnson, 410-786-4560<br><br><b>Post-Implementation Contact(s):</b><br>Michael Powell, 410-786-4560 | <b>These instructions should be implemented within your current operating budget.</b> |
|---|---|

3 Attachments

Table 1: COMPOSITE PAYMENT RATES EFFECTIVE JANUARY 1, 2005  
FOR URBAN RENAL FACILITIES

| MSA<br>CODE | NAME OF MSA             | STATE | <i>Reflects the<br/>1.6% increase</i> |             | <i>Reflects the 1.6% increase<br/>And the Drug Add-on</i> |             |
|-------------|-------------------------|-------|---------------------------------------|-------------|---|-------------|
|             |                         |       | Hospital                              | Independent | Hospital  | Independent |
| 0040        | ABILENE                 | TX    | 127.58                                | 123.18      | 138.68  | 133.90      |
| 0060        | AGUADILLA               | PR    | 127.57                                | 123.18      | 138.67  | 133.90      |
| 0080        | AKRON                   | OH    | 137.39                                | 133.68      | 149.34  | 145.31      |
| 0120        | ALBANY                  | GA    | 127.57                                | 123.18      | 138.67  | 133.90      |
| 0160        | ALBANY-SCHENECTADY-TROY | NY    | 129.93                                | 125.70      | 141.23  | 136.64      |
| 0200        | ALBUQUERQUE             | NM    | 135.60                                | 131.77      | 147.40  | 143.23      |
| 0220        | ALEXANDRIA              | LA    | 129.70                                | 125.46      | 140.98  | 136.38      |
| 0240        | ALLENTOWN-BETHLEHEM     | PA-NJ | 134.75                                | 130.87      | 146.47  | 142.26      |
| 0280        | ALTOONA                 | PA    | 133.79                                | 129.84      | 145.43  | 141.14      |
| 0320        | AMARILLO                | TX    | 130.03                                | 125.80      | 141.34  | 136.74      |
| 0360        | ANAHEIM-SANTA ANA       | CA    | 145.72                                | 142.64      | 158.40  | 155.05      |
| 0380        | ANCHORAGE               | AK    | 146.35                                | 146.35      | 159.08  | 159.08      |
| 0400        | ANDERSON                | IN    | 131.74                                | 127.63      | 143.20  | 138.73      |
| 0405        | ANDERSON                | SC    | 127.57                                | 123.18      | 138.67  | 133.90      |
| 0440        | ANN ARBOR               | MI    | 145.80                                | 142.71      | 158.48  | 155.13      |
| 0450        | ANNISTON                | AL    | 127.57                                | 123.18      | 138.67  | 133.90      |
| 0460        | APPLETON-OSHKOSH-NEENAH | WI    | 132.60                                | 128.56      | 144.14  | 139.74      |
| 0470        | ARECIBO                 | PR    | 127.57                                | 123.18      | 138.67  | 133.90      |
| 0480        | ASHEVILLE               | NC    | 130.57                                | 126.39      | 141.93  | 137.39      |
| 0500        | ATHENS                  | GA    | 127.57                                | 123.18      | 138.67  | 133.90      |
| 0520        | ATLANTA                 | GA    | 130.07                                | 125.84      | 141.39  | 136.79      |
| 0560        | ATLANTIC CITY           | NJ    | 134.72                                | 130.82      | 146.44  | 142.20      |
| 0600        | AUGUSTA                 | GA-SC | 130.08                                | 125.85      | 141.40  | 136.80      |
| 0620        | AURORA-ELGIN            | IL    | 140.21                                | 136.70      | 152.41  | 148.59      |
| 0640        | AUSTIN                  | TX    | 135.14                                | 131.29      | 146.90  | 142.71      |
| 0680        | BAKERSFIELD             | CA    | 141.64                                | 138.25      | 153.96  | 150.28      |
| 0720        | BALTIMORE               | MD    | 138.55                                | 134.93      | 150.60  | 146.67      |
| 0733        | BANGOR                  | ME    | 129.34                                | 125.09      | 140.59  | 135.97      |
| 0760        | BATON ROUGE             | LA    | 131.80                                | 127.71      | 143.27  | 138.82      |
| 0780        | BATTLE CREEK            | MI    | 134.05                                | 130.11      | 145.71  | 141.43      |
| 0840        | BEAUMONT-PORT ARTHUR    | TX    | 130.85                                | 126.67      | 142.23  | 137.69      |
| 0845        | BEAVER COUNTY           | PA    | 138.52                                | 134.89      | 150.57  | 146.63      |
| 0860        | BELLINGHAM              | WA    | 132.87                                | 128.85      | 144.43  | 140.06      |
| 0870        | BENTON HARBOR           | MI    | 127.57                                | 123.18      | 138.67  | 133.90      |
| 0875        | BERGEN-PASSAIC          | NJ    | 142.22                                | 140.71      | 154.59  | 152.95      |
| 0880        | BILLINGS                | MT    | 132.16                                | 128.08      | 143.66  | 139.22      |
| 0920        | BILOXI-GULFPORT         | MS    | 127.57                                | 123.18      | 138.67  | 133.90      |
| 0960        | BINGHAMTON              | NY    | 130.00                                | 125.77      | 141.31  | 136.71      |
| 1000        | BIRMINGHAM              | AL    | 131.83                                | 127.73      | 143.30  | 138.84      |
| 1010        | BISMARCK                | ND    | 130.64                                | 126.47      | 142.01  | 137.47      |
| 1020        | BLOOMINGTON             | IN    | 129.78                                | 125.54      | 141.07  | 136.46      |
| 1040        | BLOOMINGTON-NORMAL      | IL    | 129.69                                | 125.45      | 140.97  | 136.36      |
| 1080        | BOISE CITY              | ID    | 135.23                                | 131.39      | 147.00  | 142.82      |
| 1123        | BOSTON-SALEM-BROCKTON   | MA    | 139.45                                | 135.89      | 151.58  | 147.71      |
| 1125        | BOULDER-LONGMONT        | CO    | 140.62                                | 137.15      | 152.85  | 149.08      |
| 1140        | BRADENTON               | FL    | 128.79                                | 124.47      | 139.99  | 135.30      |
| 1145        | BRAZORIA                | TX    | 134.02                                | 130.08      | 145.68  | 141.40      |

| MSA<br>CODE | NAME OF MSA                | STATE    | <i>Reflects the<br/>1.6% increase</i> |             | <i>Reflects the 1.6% increase<br/>And the Drug Add-on</i> |             |
|-------------|----------------------------|----------|---------------------------------------|-------------|---|-------------|
|             |                            |          | Hospital                              | Independent | Hospital  | Independent |
| 1150        | BREMERTON                  | WA       | 129.14                                | 124.87      | 140.38  | 135.73      |
| 1163        | BRIDGEPORT-NORWALK-DANBURY | CT       | 141.49                                | 138.08      | 153.80  | 150.09      |
| 1240        | BROWNSVILLE-HARLINGEN      | TX       | 129.79                                | 125.56      | 141.08  | 136.48      |
| 1260        | BRYAN-COLLEGE STATION      | TX       | 128.68                                | 124.37      | 139.88  | 135.19      |
| 1280        | BUFFALO                    | NY       | 133.55                                | 129.59      | 145.17  | 140.86      |
| 1300        | BURLINGTON                 | NC       | 127.57                                | 123.18      | 138.67  | 133.90      |
| 1303        | BURLINGTON                 | VT       | 131.37                                | 127.24      | 142.80  | 138.31      |
| 1310        | CAGUAS                     | PR       | 127.57                                | 123.18      | 138.67  | 133.90      |
| 1320        | CANTON                     | OH       | 131.51                                | 127.40      | 142.95  | 138.48      |
| 1350        | CASPER                     | WY       | 136.29                                | 132.52      | 148.15  | 144.05      |
| 1360        | CEDAR RAPIDS               | IA       | 131.05                                | 126.92      | 142.45  | 137.96      |
| 1400        | CHAMPAIGN-URBANA-RANTOUL   | IL       | 133.39                                | 129.39      | 144.99  | 140.65      |
| 1440        | CHARLESTON                 | SC       | 131.44                                | 127.33      | 142.88  | 138.41      |
| 1480        | CHARLESTON                 | WVA      | 135.86                                | 132.06      | 147.68  | 143.55      |
| 1520        | CHARLOTTE-ROCK HILL        | NC-SC    | 129.79                                | 125.57      | 141.08  | 136.49      |
| 1540        | CHARLOTTESVILLE            | VA       | 133.15                                | 129.15      | 144.73  | 140.39      |
| 1560        | CHATTANOOGA                | TN-GA    | 132.45                                | 128.39      | 143.97  | 139.56      |
| 1580        | CHEYENNE                   | WY       | 131.21                                | 127.06      | 142.63  | 138.11      |
| 1600        | CHICAGO                    | IL       | 142.79                                | 139.48      | 155.21  | 151.61      |
| 1620        | CHICO                      | CA       | 139.53                                | 135.98      | 151.67  | 147.81      |
| 1640        | CINCINNATI                 | OH-KY-IN | 137.22                                | 133.50      | 149.16  | 145.11      |
| 1660        | CLARKSVILLE-HOPKINSVILLE   | TN-KY    | 127.57                                | 123.18      | 138.67  | 133.90      |
| 1680        | CLEVELAND                  | OH       | 141.66                                | 138.27      | 153.98  | 150.30      |
| 1720        | COLORADO SPRINGS           | CO       | 135.83                                | 132.03      | 147.65  | 143.52      |
| 1740        | COLUMBIA                   | MO       | 140.08                                | 136.56      | 152.27  | 148.44      |
| 1760        | COLUMBIA                   | SC       | 130.43                                | 126.24      | 141.78  | 137.22      |
| 1800        | COLUMBUS                   | GA-AL    | 128.15                                | 123.79      | 139.30  | 134.56      |
| 1840        | COLUMBUS                   | OH       | 134.12                                | 130.19      | 145.79  | 141.52      |
| 1880        | CORPUS CHRISTI             | TX       | 131.52                                | 127.41      | 142.96  | 138.49      |
| 1900        | CUMBERLAND                 | MD-WVA   | 128.22                                | 123.87      | 139.38  | 134.65      |
| 1920        | DALLAS                     | TX       | 134.47                                | 130.56      | 146.17  | 141.92      |
| 1950        | DANVILLE                   | VA       | 127.57                                | 123.18      | 138.67  | 133.90      |
| 1960        | DAVENPORT-MOLINE           | IA-IL    | 133.12                                | 129.11      | 144.70  | 140.34      |
| 2000        | DAYTON-SPRINGFIELD         | OH       | 137.82                                | 134.14      | 149.81  | 145.81      |
| 2020        | DAYTONA BEACH              | FL       | 127.85                                | 123.47      | 138.97  | 134.21      |
| 2040        | DECATUR                    | IL       | 131.69                                | 127.57      | 143.15  | 138.67      |
| 2080        | DENVER                     | CO       | 143.60                                | 140.35      | 156.09  | 152.56      |
| 2120        | DES MOINES                 | IA       | 135.21                                | 131.36      | 146.97  | 142.79      |
| 2160        | DETROIT                    | MI       | 143.03                                | 139.73      | 155.47  | 151.89      |
| 2180        | DOTHAN                     | AL       | 127.57                                | 123.18      | 138.67  | 133.90      |
| 2200        | DUBUQUE                    | IA       | 132.63                                | 128.61      | 144.17  | 139.80      |
| 2240        | DULUTH                     | MN-WI    | 130.10                                | 125.88      | 141.42  | 136.83      |
| 2290        | EAU CLAIRE                 | WI       | 128.84                                | 124.53      | 140.05  | 135.36      |
| 2320        | EL PASO                    | TX       | 128.41                                | 124.08      | 139.58  | 134.87      |
| 2330        | ELKHART-GOSHEN             | IN       | 129.30                                | 125.01      | 140.55  | 135.89      |
| 2335        | ELMIRA                     | NY       | 132.63                                | 128.60      | 144.17  | 139.79      |
| 2340        | ENID                       | OK       | 129.51                                | 125.24      | 140.78  | 136.14      |
| 2360        | ERIE                       | PA       | 131.82                                | 127.74      | 143.29  | 138.85      |
| 2400        | EUGENE-SPRINGFIELD         | OR       | 133.37                                | 129.37      | 144.97  | 140.63      |

| MSA<br>CODE | NAME OF MSA                      | STATE     | <i>Reflects the<br/>1.6% increase</i> |             | <i>Reflects the 1.6% increase<br/>And the Drug Add-on</i> |             |
|-------------|----------------------------------|-----------|---------------------------------------|-------------|---|-------------|
|             |                                  |           | Hospital                              | Independent | Hospital  | Independent |
| 2440        | EVANSVILLE                       | IN-KY     | 134.10                                | 130.16      | 145.77  | 141.48      |
| 2520        | FARGO-MOORHEAD                   | ND-MN     | 133.83                                | 129.88      | 145.47  | 141.18      |
| 2560        | FAYETTEVILLE                     | NC        | 127.57                                | 123.18      | 138.67  | 133.90      |
| 2580        | FAYETTEVILLE-SPRINGDALE          | AR        | 127.57                                | 123.18      | 138.67  | 133.90      |
| 2640        | FLINT                            | MI        | 141.83                                | 138.45      | 154.17  | 150.50      |
| 2650        | FLORENCE                         | AL        | 127.57                                | 123.18      | 138.67  | 133.90      |
| 2655        | FLORENCE                         | SC        | 127.57                                | 123.18      | 138.67  | 133.90      |
| 2670        | FORT COLLINS-LOVELAND            | CO        | 131.49                                | 127.38      | 142.93  | 138.46      |
| 2680        | FT LAUDERDALE-POMPANO BEACH      | FL        | 137.23                                | 133.51      | 149.17  | 145.13      |
| 2700        | FORT MYERS-CAPE CORAL            | FL        | 129.73                                | 125.49      | 141.02  | 136.41      |
| 2710        | FORT PIERCE                      | FL        | 130.09                                | 125.87      | 141.41  | 136.82      |
| 2720        | FORT SMITH                       | AK-OK     | 128.97                                | 124.67      | 140.19  | 135.52      |
| 2750        | FORT WALTON BEACH                | FL        | 127.57                                | 123.18      | 138.67  | 133.90      |
| 2760        | FORT WAYNE                       | IN        | 129.32                                | 125.05      | 140.57  | 135.93      |
| 2800        | FORT WORTH-ARLINGTON             | TX        | 133.06                                | 129.04      | 144.64  | 140.27      |
| 2840        | FRESNO                           | CA        | 142.09                                | 138.72      | 154.45  | 150.79      |
| 2880        | GADSDEN                          | AL        | 128.48                                | 124.17      | 139.66  | 134.97      |
| 2900        | GAINESVILLE                      | FL        | 130.25                                | 126.06      | 141.58  | 137.03      |
| 2920        | GALVESTON-TEXAS CITY             | TX        | 137.86                                | 134.20      | 149.85  | 145.88      |
| 2960        | GARY-HAMMOND                     | IN        | 138.47                                | 134.85      | 150.52  | 146.58      |
| 2975        | GLENS FALLS                      | NY        | 128.98                                | 124.68      | 140.20  | 135.53      |
| 2985        | GRAND FORKS                      | ND        | 129.26                                | 124.98      | 140.51  | 135.85      |
| 3000        | GRAND RAPIDS                     | MI        | 133.41                                | 129.44      | 145.02  | 140.70      |
| 3040        | GREAT FALLS                      | MT        | 132.09                                | 128.01      | 143.58  | 139.15      |
| 3060        | GREELEY                          | CO        | 134.34                                | 130.43      | 146.03  | 141.78      |
| 3080        | GREEN BAY                        | WI        | 133.34                                | 129.33      | 144.94  | 140.58      |
| 3120        | GREENSBORO-WINSTON SALEM-HIGH PT | NC        | 129.67                                | 125.42      | 140.95  | 136.33      |
| 3160        | GREENVILLE-SPARTANBURG           | SC        | 130.15                                | 125.95      | 141.47  | 136.91      |
| 3180        | HAGERSTOWN                       | MD        | 132.79                                | 128.78      | 144.34  | 139.98      |
| 3200        | HAMILTON-MIDDLETOWN              | OH        | 134.87                                | 130.98      | 146.60  | 142.38      |
| 3240        | HARRISBURG-LEBANON-CARLISLE      | PA        | 133.92                                | 129.97      | 145.57  | 141.28      |
| 3283        | HARTFORD-NEW BRITAIN-BRISTOL     | CT        | 140.38                                | 136.90      | 152.59  | 148.81      |
| 3290        | HICKORY                          | NC        | 127.57                                | 123.18      | 138.67  | 133.90      |
| 3320        | HONOLULU                         | HI        | 141.73                                | 138.34      | 154.06  | 150.38      |
| 3350        | HOUMA-THIBODAUX                  | LA        | 128.02                                | 123.66      | 139.16  | 134.42      |
| 3360        | HOUSTON                          | TX        | 137.24                                | 133.53      | 149.18  | 145.15      |
| 3400        | HUNTINGTON-ASHLAND               | WVA-KY-OH | 130.11                                | 125.88      | 141.43  | 136.83      |
| 3440        | HUNTSVILLE                       | AL        | 127.57                                | 123.18      | 138.67  | 133.90      |
| 3480        | INDIANAPOLIS                     | IN        | 135.16                                | 131.30      | 146.92  | 142.72      |
| 3500        | IOWA CITY                        | IA        | 143.23                                | 140.37      | 155.69  | 152.58      |
| 3520        | JACKSON                          | MI        | 134.43                                | 130.53      | 146.13  | 141.89      |
| 3560        | JACKSON                          | MS        | 128.82                                | 124.51      | 140.03  | 135.34      |
| 3580        | JACKSON                          | TN        | 127.57                                | 123.18      | 138.67  | 133.90      |
| 3600        | JACKSONVILLE                     | FL        | 130.77                                | 126.58      | 142.15  | 137.59      |
| 3605        | JACKSONVILLE                     | NC        | 127.75                                | 123.37      | 138.86  | 134.10      |
| 3620        | JANESVILLE-BELOIT                | WI        | 128.39                                | 124.05      | 139.56  | 134.84      |
| 3640        | JERSEY CITY                      | NJ        | 138.46                                | 134.84      | 150.51  | 146.57      |
| 3660        | JOHNSON CITY-BRISTOL             | TN-VA     | 127.57                                | 123.18      | 138.67  | 133.90      |
| 3680        | JOHNSTOWN                        | PA        | 133.36                                | 129.36      | 144.96  | 140.61      |

| MSA<br>CODE | NAME OF MSA               | STATE    | <i>Reflects the<br/>1.6% increase</i> |             | <i>Reflects the 1.6% increase<br/>And the Drug Add-on</i> |             |
|-------------|---------------------------|----------|---------------------------------------|-------------|---|-------------|
|             |                           |          | Hospital                              | Independent | Hospital  | Independent |
| 3690        | JOLIET                    | IL       | 140.66                                | 137.19      | 152.90  | 149.13      |
| 3710        | JOPLIN                    | MO       | 127.97                                | 123.61      | 139.10  | 134.36      |
| 3720        | KALAMAZOO                 | MI       | 143.25                                | 139.98      | 155.71  | 152.16      |
| 3740        | KANKAKEE                  | IL       | 130.84                                | 126.66      | 142.22  | 137.68      |
| 3760        | KANSAS CITY               | MO-KS    | 133.22                                | 129.21      | 144.81  | 140.45      |
| 3800        | KENOSHA                   | WI       | 137.39                                | 133.69      | 149.34  | 145.32      |
| 3810        | KILLEEN-TEMPLE            | TX       | 128.12                                | 123.75      | 139.27  | 134.52      |
| 3840        | KNOXVILLE                 | TN       | 127.83                                | 123.45      | 138.95  | 134.19      |
| 3850        | KOKOMO                    | IN       | 132.39                                | 128.34      | 143.91  | 139.51      |
| 3870        | LA CROSSE                 | WI       | 131.00                                | 126.87      | 142.40  | 137.91      |
| 3880        | LAFAYETTE                 | LA       | 132.84                                | 128.83      | 144.40  | 140.04      |
| 3920        | LAFAYETTE                 | IN       | 128.65                                | 124.33      | 139.84  | 135.15      |
| 3960        | LAKE CHARLES              | LA       | 130.17                                | 125.97      | 141.49  | 136.93      |
| 3965        | LAKE COUNTY               | IL       | 141.41                                | 137.98      | 153.71  | 149.98      |
| 3980        | LAKELAND-WINTER HAVEN     | FL       | 127.57                                | 123.18      | 138.67  | 133.90      |
| 4000        | LANCASTER                 | PA       | 135.38                                | 131.54      | 147.16  | 142.98      |
| 4040        | LANSING-EAST LANSING      | MI       | 135.98                                | 132.18      | 147.81  | 143.68      |
| 4080        | LAREDO                    | TX       | 127.57                                | 123.18      | 138.67  | 133.90      |
| 4100        | LAS CRUCES                | NM       | 127.57                                | 123.18      | 138.67  | 133.90      |
| 4120        | LAS VEGAS                 | NV       | 141.01                                | 137.58      | 153.28  | 149.55      |
| 4150        | LAWRENCE                  | KS       | 131.82                                | 127.73      | 143.29  | 138.84      |
| 4200        | LAWTON                    | OK       | 130.27                                | 126.08      | 141.60  | 137.05      |
| 4243        | LEWISTON-AUBURN           | ME       | 128.39                                | 124.06      | 139.56  | 134.85      |
| 4280        | LEXINGTON-FAYETTE         | KY       | 130.21                                | 126.01      | 141.54  | 136.97      |
| 4320        | LIMA                      | OH       | 133.29                                | 129.29      | 144.89  | 140.54      |
| 4360        | LINCOLN                   | NE       | 129.96                                | 125.72      | 141.27  | 136.66      |
| 4400        | LITTLE ROCK-N LITTLE ROCK | AR       | 135.96                                | 132.17      | 147.79  | 143.67      |
| 4420        | LONGVIEW-MARSHALL         | TX       | 127.57                                | 123.18      | 138.67  | 133.90      |
| 4440        | LORAIN-ELYRIA             | OH       | 134.22                                | 130.30      | 145.90  | 141.64      |
| 4480        | LOS ANGELES-LONG BEACH    | CA       | 146.35                                | 145.02      | 159.08  | 157.64      |
| 4520        | LOUISVILLE                | KY-IN    | 134.40                                | 130.50      | 146.09  | 141.85      |
| 4600        | LUBBOCK                   | TX       | 129.87                                | 125.63      | 141.17  | 136.56      |
| 4640        | LYNCHBURG                 | VA       | 128.00                                | 123.63      | 139.14  | 134.39      |
| 4680        | MACON-WARNER ROBINS       | GA       | 129.46                                | 125.19      | 140.72  | 136.08      |
| 4720        | MADISON                   | WI       | 135.45                                | 131.63      | 147.23  | 143.08      |
| 4763        | MANCHESTER-NASHUA         | NH       | 131.20                                | 127.04      | 142.61  | 138.09      |
| 4800        | MANSFIELD                 | OH       | 130.40                                | 126.20      | 141.74  | 137.18      |
| 4840        | MAYAGUEZ                  | PR       | 127.57                                | 123.18      | 138.67  | 133.90      |
| 4880        | MCALLEN-EDINBURG-MISSION  | TX       | 127.57                                | 123.18      | 138.67  | 133.90      |
| 4890        | MEDFORD                   | OR       | 133.00                                | 128.99      | 144.57  | 140.21      |
| 4900        | MELBOURNE-TITUSVILLE      | FL       | 130.19                                | 125.99      | 141.52  | 136.95      |
| 4920        | MEMPHIS                   | TN-AR-MS | 135.10                                | 131.23      | 146.85  | 142.65      |
| 4940        | MERCED                    | CA       | 138.45                                | 134.83      | 150.50  | 146.56      |
| 5000        | MIAMI-HIALEAH             | FL       | 138.47                                | 134.85      | 150.52  | 146.58      |
| 5015        | MIDDLESEX-HUNTERDON       | NJ       | 134.87                                | 130.99      | 146.60  | 142.39      |
| 5040        | MIDLAND                   | TX       | 135.10                                | 131.24      | 146.85  | 142.66      |
| 5080        | MILWAUKEE                 | WI       | 136.75                                | 133.02      | 148.65  | 144.59      |
| 5120        | MINNEAPOLIS-ST PAUL       | MN-WI    | 136.11                                | 132.33      | 147.95  | 143.84      |
| 5160        | MOBILE                    | AL       | 129.00                                | 124.70      | 140.22  | 135.55      |

| MSA<br>CODE | NAME OF MSA                      | STATE  | <i>Reflects the<br/>1.6% increase</i> |             | <i>Reflects the 1.6% increase<br/>And the Drug Add-on</i> |             |
|-------------|----------------------------------|--------|---------------------------------------|-------------|---|-------------|
|             |                                  |        | Hospital                              | Independent | Hospital  | Independent |
| 5170        | MODESTO                          | CA     | 138.05                                | 134.41      | 150.06  | 146.10      |
| 5190        | MONMOUTH-OCEAN                   | NJ     | 133.08                                | 129.06      | 144.66  | 140.29      |
| 5200        | MONROE                           | LA     | 129.18                                | 124.90      | 140.42  | 135.77      |
| 5240        | MONTGOMERY                       | AL     | 130.14                                | 125.92      | 141.46  | 136.88      |
| 5280        | MUNCIE                           | IN     | 131.36                                | 127.22      | 142.79  | 138.29      |
| 5320        | MUSKEGON                         | MI     | 131.68                                | 127.57      | 143.14  | 138.67      |
| 5345        | NAPLES                           | FL     | 130.55                                | 126.35      | 141.91  | 137.34      |
| 5360        | NASHVILLE                        | TN     | 132.71                                | 128.70      | 144.26  | 139.90      |
| 5380        | NASSAU-SUFFOLK                   | NY     | 146.35                                | 144.35      | 159.08  | 156.91      |
| 5403        | NEW BEDFORD-FALL RIVER-ATTELBORO | MA     | 131.79                                | 127.70      | 143.26  | 138.81      |
| 5483        | NEW HAVEN-WATERBURY-MERIDEN      | CT     | 137.50                                | 133.80      | 149.46  | 145.44      |
| 5523        | NEW LONDON-NORWICH               | CT     | 137.24                                | 133.52      | 149.18  | 145.14      |
| 5560        | NEW ORLEANS                      | LA     | 130.68                                | 126.50      | 142.05  | 137.51      |
| 5600        | NEW YORK                         | NY     | 146.35                                | 146.35      | 159.08  | 159.08      |
| 5640        | NEWARK                           | NJ     | 141.09                                | 137.67      | 153.36  | 149.65      |
| 5700        | NIAGARA FALLS                    | NY     | 130.31                                | 126.11      | 141.65  | 137.08      |
| 5720        | NORFOLK-NEWPORT NEWS             | VA     | 129.67                                | 125.42      | 140.95  | 136.33      |
| 5775        | OAKLAND                          | CA     | 146.35                                | 145.92      | 159.08  | 158.62      |
| 5790        | OCALA                            | FL     | 128.79                                | 124.48      | 139.99  | 135.31      |
| 5800        | ODESSA                           | TX     | 129.63                                | 125.38      | 140.91  | 136.29      |
| 5880        | OKLAHOMA CITY                    | OK     | 134.67                                | 130.78      | 146.39  | 142.16      |
| 5910        | OLYMPIA                          | WA     | 135.49                                | 131.66      | 147.28  | 143.11      |
| 5920        | OMAHA                            | NE-IA  | 132.99                                | 128.98      | 144.56  | 140.20      |
| 5950        | ORANGE COUNTY                    | NY     | 132.46                                | 128.39      | 143.98  | 139.56      |
| 5960        | ORLANDO                          | FL     | 132.46                                | 128.39      | 143.98  | 139.56      |
| 5990        | OWENSBORO                        | KY     | 127.57                                | 123.18      | 138.67  | 133.90      |
| 6000        | OXNARD-VENTURA                   | CA     | 146.28                                | 145.05      | 159.01  | 157.67      |
| 6015        | PANAMA CITY                      | FL     | 127.57                                | 123.18      | 138.67  | 133.90      |
| 6020        | PARKERSBURG-MARIETTA             | WVA-OH | 130.89                                | 126.73      | 142.28  | 137.76      |
| 6025        | PASCAGOULA                       | MS     | 135.50                                | 131.67      | 147.29  | 143.13      |
| 6080        | PENSACOLA                        | FL     | 128.26                                | 123.91      | 139.42  | 134.69      |
| 6120        | PEORIA                           | IL     | 136.83                                | 133.10      | 148.73  | 144.68      |
| 6160        | PHILADELPHIA                     | PA-NJ  | 141.48                                | 138.07      | 153.79  | 150.08      |
| 6200        | PHOENIX                          | AZ     | 137.96                                | 134.32      | 149.96  | 146.01      |
| 6240        | PINE BLUFF                       | AR     | 127.57                                | 123.18      | 138.67  | 133.90      |
| 6280        | PITTSBURGH                       | PA     | 138.69                                | 135.09      | 150.76  | 146.84      |
| 6323        | PITTSFIELD                       | MA     | 133.87                                | 129.91      | 145.52  | 141.21      |
| 6360        | PONCE                            | PR     | 127.57                                | 123.18      | 138.67  | 133.90      |
| 6403        | PORTLAND                         | ME     | 132.96                                | 128.94      | 144.53  | 140.16      |
| 6440        | PORTLAND                         | OR     | 139.91                                | 136.40      | 152.08  | 148.27      |
| 6453        | PORTSMOUTH-DOVER-ROCHESTER       | NH-ME  | 128.29                                | 123.95      | 139.45  | 134.73      |
| 6460        | POUGHKEEPSIE                     | NY     | 135.84                                | 132.03      | 147.66  | 143.52      |
| 6483        | PROVIDENCE-PAWTUCKET-WOONSOCKET  | RI     | 134.58                                | 130.69      | 146.29  | 142.06      |
| 6520        | PROVO-OREM                       | UT     | 130.42                                | 126.22      | 141.77  | 137.20      |
| 6560        | PUEBLO                           | CO     | 137.23                                | 133.52      | 149.17  | 145.14      |
| 6600        | RACINE                           | WI     | 129.52                                | 125.26      | 140.79  | 136.16      |
| 6640        | RALEIGH-DURHAM                   | NC     | 132.93                                | 128.90      | 144.49  | 140.11      |
| 6660        | RAPID CITY                       | SD     | 128.78                                | 124.47      | 139.98  | 135.30      |
| 6680        | READING                          | PA     | 133.16                                | 129.15      | 144.74  | 140.39      |

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|-------------|--------------------------------|--------|---------------------------------------|-------------|---|-------------|
|             |                                |        | Hospital                              | Independent | Hospital  | Independent |
| 6690        | REDDING                        | CA     | 138.98                                | 135.39      | 151.07  | 147.17      |
| 6720        | RENO                           | NV     | 144.32                                | 142.52      | 156.88  | 154.92      |
| 6740        | RICHLAND-KENNEWICK             | WA     | 131.96                                | 127.89      | 143.44  | 139.02      |
| 6760        | RICHMOND-PETERSBURG            | VA     | 129.76                                | 125.53      | 141.05  | 136.45      |
| 6780        | RIVERSIDE-SAN BERNARDINO       | CA     | 143.65                                | 140.40      | 156.15  | 152.61      |
| 6800        | ROANOKE                        | VA     | 130.33                                | 126.13      | 141.67  | 137.10      |
| 6820        | ROCHESTER                      | MN     | 134.23                                | 130.31      | 145.91  | 141.65      |
| 6840        | ROCHESTER                      | NY     | 134.50                                | 130.60      | 146.20  | 141.96      |
| 6880        | ROCKFORD                       | IL     | 136.62                                | 132.85      | 148.51  | 144.41      |
| 6920        | SACRAMENTO                     | CA     | 144.16                                | 141.12      | 156.70  | 153.40      |
| 6960        | SAGINAW-BAY CITY- MIDLAND      | MI     | 138.22                                | 134.57      | 150.25  | 146.28      |
| 6980        | ST CLOUD                       | MN     | 129.55                                | 125.29      | 140.82  | 136.19      |
| 7000        | ST JOSEPH                      | MO     | 132.19                                | 128.12      | 143.69  | 139.27      |
| 7040        | ST LOUIS                       | MO-IL  | 135.07                                | 131.21      | 146.82  | 142.63      |
| 7080        | SALEM                          | OR     | 136.70                                | 132.96      | 148.59  | 144.53      |
| 7120        | SALINAS-SEASIDE-MONTEREY       | CA     | 144.09                                | 140.88      | 156.63  | 153.14      |
| 7160        | SALT LAKE CITY-OGDEN           | UT     | 131.27                                | 127.13      | 142.69  | 138.19      |
| 7200        | SAN ANGELO                     | TX     | 127.57                                | 123.18      | 138.67  | 133.90      |
| 7240        | SAN ANTONIO                    | TX     | 129.30                                | 125.03      | 140.55  | 135.91      |
| 7320        | SAN DIEGO                      | CA     | 144.75                                | 142.04      | 157.34  | 154.40      |
| 7360        | SAN FRANCISCO                  | CA     | 146.35                                | 145.92      | 159.08  | 158.62      |
| 7400        | SAN JOSE                       | CA     | 146.35                                | 145.68      | 159.08  | 158.35      |
| 7440        | SAN JUAN                       | PR     | 127.57                                | 123.18      | 138.67  | 133.90      |
| 7480        | SANTA BARBARA-LOMPOC           | CA     | 139.14                                | 135.58      | 151.25  | 147.38      |
| 7485        | SANTA CRUZ                     | CA     | 140.64                                | 137.18      | 152.88  | 149.11      |
| 7490        | SANTA FE                       | NM     | 129.81                                | 125.59      | 141.10  | 136.52      |
| 7500        | SANTA ROSA-PETALUMA            | CA     | 146.35                                | 145.59      | 159.08  | 158.26      |
| 7510        | SARASOTA                       | FL     | 131.98                                | 127.90      | 143.46  | 139.03      |
| 7520        | SAVANNAH                       | GA     | 129.72                                | 125.48      | 141.01  | 136.40      |
| 7560        | SCRANTON-WILKES BARRE          | PA     | 133.66                                | 129.70      | 145.29  | 140.98      |
| 7600        | SEATTLE                        | WA     | 136.87                                | 133.14      | 148.78  | 144.72      |
| 7610        | SHARON                         | PA     | 132.08                                | 128.00      | 143.57  | 139.14      |
| 7620        | SHEBOYGAN                      | WI     | 129.28                                | 125.01      | 140.53  | 135.89      |
| 7640        | SHERMAN-DENISON                | TX     | 127.57                                | 123.18      | 138.67  | 133.90      |
| 7680        | SHREVEPORT                     | LA     | 133.23                                | 129.23      | 144.82  | 140.47      |
| 7720        | SIOUX CITY                     | IA-NE  | 132.47                                | 128.40      | 143.99  | 139.57      |
| 7760        | SIOUX FALLS                    | SD     | 130.62                                | 126.44      | 141.98  | 137.44      |
| 7800        | SOUTH BEND-MISHAWAKA           | IN     | 130.13                                | 125.92      | 141.45  | 136.88      |
| 7840        | SPOKANE                        | WA     | 138.38                                | 134.75      | 150.42  | 146.47      |
| 7880        | SPRINGFIELD                    | IL     | 137.27                                | 133.56      | 149.21  | 145.18      |
| 7920        | SPRINGFIELD                    | MO     | 129.48                                | 125.21      | 140.74  | 136.10      |
| 8003        | SPRINGFIELD                    | MA     | 133.39                                | 129.39      | 144.99  | 140.65      |
| 8050        | STATE COLLEGE                  | PA     | 137.91                                | 134.25      | 149.91  | 145.93      |
| 8080        | STEUBENVILLE-WEIRTON           | OH-WVA | 131.46                                | 127.35      | 142.90  | 138.43      |
| 8120        | STOCKTON                       | CA     | 146.35                                | 145.06      | 159.08  | 157.68      |
| 8160        | SYRACUSE                       | NY     | 141.36                                | 139.77      | 153.66  | 151.93      |
| 8200        | TACOMA                         | WA     | 136.53                                | 132.76      | 148.41  | 144.31      |
| 8240        | TALLAHASSE                     | FL     | 129.91                                | 125.67      | 141.21  | 136.60      |
| 8280        | TAMPA-ST PETERSBURG-CLEARWATER | FL     | 132.27                                | 128.21      | 143.78  | 139.36      |

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|-------------|------------------------------|----------|---------------------------------------|-------------|---|-------------|
|             |                              |          | Hospital                              | Independent | Hospital  | Independent |
| 8320        | TERRE HAUTE                  | IN       | 127.57                                | 123.18      | 138.67  | 133.90      |
| 8360        | TEXARKANA                    | TX-AR    | 135.59                                | 131.75      | 147.39  | 143.21      |
| 8400        | TOLEDO                       | OH       | 140.91                                | 137.45      | 153.17  | 149.41      |
| 8440        | TOPEKA                       | KS       | 135.89                                | 132.10      | 147.71  | 143.59      |
| 8480        | TRENTON                      | NJ       | 135.66                                | 131.82      | 147.46  | 143.29      |
| 8520        | TUCSON                       | AZ       | 134.02                                | 130.07      | 145.68  | 141.39      |
| 8560        | TULSA                        | OK       | 133.31                                | 129.30      | 144.91  | 140.55      |
| 8600        | TUSCALOOSA                   | AL       | 133.86                                | 129.91      | 145.51  | 141.21      |
| 8640        | TYLER                        | TX       | 132.17                                | 128.09      | 143.67  | 139.23      |
| 8680        | UTICA-ROME                   | NY       | 130.41                                | 126.22      | 141.76  | 137.20      |
| 8720        | VALLEJO-FAIRFIELD-NAPA       | CA       | 146.35                                | 146.18      | 159.08  | 158.90      |
| 8725        | VANCOUVER                    | WA       | 139.12                                | 135.53      | 151.22  | 147.32      |
| 8750        | VICTORIA                     | TX       | 127.57                                | 123.18      | 138.67  | 133.90      |
| 8760        | VINELAND-MILLVILLE-BRIDGETON | NJ       | 132.48                                | 128.41      | 144.01  | 139.58      |
| 8780        | VISALIA-PORTERVILLE          | CA       | 142.02                                | 140.48      | 154.38  | 152.70      |
| 8800        | WACO                         | TX       | 127.81                                | 123.43      | 138.93  | 134.17      |
| 8840        | WASHINGTON                   | DC-MD-VA | 141.74                                | 138.35      | 154.07  | 150.39      |
| 8920        | WATERLOO-CEDAR FALLS         | IA       | 129.50                                | 125.24      | 140.77  | 136.14      |
| 8940        | WAUSAU                       | WI       | 130.90                                | 126.74      | 142.29  | 137.77      |
| 8960        | WEST PALM & DELRAY BEACH     | FL       | 131.84                                | 127.75      | 143.31  | 138.86      |
| 9000        | WHEELING                     | WVA-OH   | 131.83                                | 127.74      | 143.30  | 138.85      |
| 9040        | WICHITA                      | KS       | 136.67                                | 132.93      | 148.56  | 144.49      |
| 9080        | WICHITA FALLS                | TX       | 127.57                                | 123.18      | 138.67  | 133.90      |
| 9140        | WILLIAMSPORT                 | PA       | 130.24                                | 126.04      | 141.57  | 137.01      |
| 9160        | WILMINGTON                   | DE-NJ-MD | 136.71                                | 132.97      | 148.60  | 144.54      |
| 9200        | WILMINGTON                   | NC       | 128.74                                | 124.42      | 139.94  | 135.24      |
| 9243        | WORCESTER-LEOMINSTER         | MA       | 132.43                                | 128.37      | 143.95  | 139.54      |
| 9260        | YAKIMA                       | WA       | 132.24                                | 128.18      | 143.74  | 139.33      |
| 9280        | YORK                         | PA       | 132.45                                | 128.39      | 143.97  | 139.56      |
| 9320        | YOUNGSTOWN-WARREN            | OH       | 137.25                                | 133.54      | 149.19  | 145.16      |
| 9340        | YUBA CITY                    | CA       | 137.02                                | 133.29      | 148.94  | 144.89      |

Table 2: COMPOSITE PAYMENT RATES EFFECTIVE JANUARY 1, 2005  
FOR RURAL RENAL FACILITIES

| MSA<br>CODE | NAME OF MSA    | STATE | <i>Reflects the<br/>1.6% increase</i> |             | <i>Reflects the 1.6% increase<br/>And the Drug Add-on</i> |             |
|-------------|----------------|-------|---------------------------------------|-------------|---|-------------|
|             |                |       | Hospital                              | Independent | Hospital  | Independent |
| AL          | ALABAMA        | AL    | 127.57                                | 123.18      | 138.67  | 133.90      |
| AK          | ALASKA         | AK    | 146.35                                | 146.35      | 159.08  | 159.08      |
| AZ          | ARIZONA        | AZ    | 128.68                                | 124.35      | 139.88  | 135.17      |
| AR          | ARKANSAS       | AR    | 127.57                                | 123.18      | 138.67  | 133.90      |
| CA          | CALIFORNIA     | CA    | 137.00                                | 133.27      | 148.92  | 144.86      |
| CO          | COLORADO       | CO    | 128.21                                | 123.86      | 139.36  | 134.64      |
| CT          | CONNECTICUT    | CT    | 136.02                                | 132.22      | 147.85  | 143.72      |
| DE          | DELAWARE       | DE    | 128.76                                | 124.44      | 139.96  | 135.27      |
| FL          | FLORIDA        | FL    | 127.75                                | 123.37      | 138.86  | 134.10      |
| GA          | GEORGIA        | GA    | 127.57                                | 123.18      | 138.67  | 133.90      |
| HI          | HAWAII         | HI    | 140.40                                | 136.92      | 152.61  | 148.83      |
| ID          | IDAHO          | ID    | 127.83                                | 123.45      | 138.95  | 134.19      |
| IL          | ILLINOIS       | IL    | 127.57                                | 123.18      | 138.67  | 133.90      |
| IN          | INDIANA        | IN    | 127.57                                | 123.18      | 138.67  | 133.90      |
| IA          | IOWA           | IA    | 127.57                                | 123.18      | 138.67  | 133.90      |
| KS          | KANSAS         | KS    | 127.57                                | 123.18      | 138.67  | 133.90      |
| KY          | KENTUCKY       | KY    | 127.57                                | 123.18      | 138.67  | 133.90      |
| LA          | LOUISIANA      | LA    | 127.57                                | 123.18      | 138.67  | 133.90      |
| ME          | MAINE          | ME    | 127.57                                | 123.18      | 138.67  | 133.90      |
| MD          | MARYLAND       | MD    | 130.27                                | 126.08      | 141.60  | 137.05      |
| MA          | MASSACHUSETTS  | MA    | 135.99                                | 132.19      | 147.82  | 143.69      |
| MI          | MICHIGAN       | MI    | 132.98                                | 128.97      | 144.55  | 140.19      |
| MN          | MINNESOTA      | MN    | 127.57                                | 123.18      | 138.67  | 133.90      |
| MS          | MISSISSIPPI    | MS    | 127.57                                | 123.18      | 138.67  | 133.90      |
| MO          | MISSOURI       | MO    | 127.57                                | 123.18      | 138.67  | 133.90      |
| MT          | MONTANA        | MT    | 127.87                                | 123.50      | 138.99  | 134.24      |
| NE          | NEBRASKA       | NE    | 127.57                                | 123.18      | 138.67  | 133.90      |
| NV          | NEVADA         | NV    | 133.20                                | 129.20      | 144.79  | 140.44      |
| NH          | NEW HAMPSHIRE  | NH    | 132.24                                | 128.18      | 143.74  | 139.33      |
| NM          | NEW MEXICO     | NM    | 128.68                                | 124.36      | 139.88  | 135.18      |
| NY          | NEW YORK       | NY    | 127.78                                | 123.40      | 138.90  | 134.14      |
| NC          | NORTH CAROLINA | NC    | 127.57                                | 123.18      | 138.67  | 133.90      |
| ND          | NORTH DAKOTA   | ND    | 127.70                                | 123.31      | 138.81  | 134.04      |
| OH          | OHIO           | OH    | 128.66                                | 124.34      | 139.85  | 135.16      |
| OK          | OKLAHOMA       | OK    | 127.57                                | 123.18      | 138.67  | 133.90      |
| OR          | OREGON         | OR    | 132.66                                | 128.64      | 144.20  | 139.83      |
| PA          | PENNSYLVANIA   | PA    | 132.54                                | 128.48      | 144.07  | 139.66      |
| RI          | RHODE ISLAND   | RI    | 130.86                                | 126.69      | 142.24  | 137.71      |
| SC          | SOUTH CAROLINA | SC    | 127.57                                | 123.18      | 138.67  | 133.90      |
| SD          | SOUTH DAKOTA   | SD    | 127.57                                | 123.18      | 138.67  | 133.90      |
| TN          | TENNESSEE      | TN    | 127.57                                | 123.18      | 138.67  | 133.90      |
| TX          | TEXAS          | TX    | 127.57                                | 123.18      | 138.67  | 133.90      |
| UT          | UTAH           | UT    | 128.56                                | 124.24      | 139.74  | 135.05      |
| VT          | VERMONT        | VT    | 127.57                                | 123.18      | 138.67  | 133.90      |
| VA          | VIRGINIA       | VA    | 127.57                                | 123.18      | 138.67  | 133.90      |
| WA          | WASHINGTON     | WA    | 131.35                                | 127.21      | 142.78  | 138.28      |
| WV          | WEST VIRGINIA  | WV    | 128.43                                | 124.09      | 139.60  | 134.89      |
| WI          | WISCONSIN      | WI    | 127.57                                | 123.18      | 138.67  | 133.90      |
| WY          | WYOMING        | WY    | 131.29                                | 127.15      | 142.71  | 138.21      |

# FOR URBAN RENAL FACILITIES

(Constituent Counties or County Equivalents)

| MSA  | NAME OF MSA                 | MSA  | NAME OF MSA              | MSA  | NAME OF MSA                               |
|------|-----------------------------|------|--------------------------|------|---|
| 0040 | ABILENE, TX                 |      | Douglas, GA              |      | Jefferson, AL                             |
|      | Taylor, TX                  |      | Fayette, GA              |      | Saint Clair, AL                           |
| 0060 | AGUADILLA, PR               |      | Forsyth, GA              |      | Shelby, AL                                |
|      | Aguada, PR                  |      | Fulton, GA               |      | Walker, AL                                |
|      | Aguadilla, PR               |      | Gwinnett, GA             | 1010 | BISMARCK, ND                              |
|      | Moca, PR                    |      | Henry, GA                |      | Burleigh, ND                              |
| 0080 | AKRON, OH                   |      | Newton, GA               |      | Morton, ND                                |
|      | Portage, OH                 |      | Paulding, GA             | 1020 | BLOOMINGTON, IN                           |
|      | Summit, OH                  |      | Rockdale, GA             |      | Monroe, IN                                |
| 0120 | ALBANY, GA                  |      | Spalding, GA             | 1040 | BLOOMINGTON-NORMAL, IL                    |
|      | Dougherty, GA               |      | Walton, GA               |      | McLean, IL                                |
|      | Lee, GA                     | 0560 | ATLANTIC CITY, NJ        | 1080 | BOISE CITY, ID                            |
| 0160 | ALBANY-SCHENECTADY-TROY, NY |      | Atlantic, NJ             |      | ADA, ID                                   |
|      | Albany, NY                  |      | Cape May, NJ             | 1123 | BOSTON-LAWRENCE-SALEM-LOWELL-BROCKTON, MA |
|      | Greene, NY                  | 0600 | AUGUSTA, GA-SC           |      | Essex, MA                                 |
|      | Montgomery, NY              |      | Columbia, GA             |      | Middlesex, MA                             |
|      | Rensselaer, NY              |      | McDuffie, GA             |      | Norfolk, MA                               |
|      | Saratoga, NY                |      | Richmond, GA             |      | Plymouth, MA                              |
|      | Schenectady, NY             |      | Aiken, SC                |      | Suffolk, MA                               |
| 0200 | ALBUQUERQUE, NM             | 0620 | AURORA-ELGIN, IL         | 1125 | BOULDER-LONGMONT, CO                      |
|      | Bernalillo, NM              |      | Kane, IL                 |      | Boulder, CO                               |
| 0220 | ALEXANDRIA, LA              |      | Kendall, IL              | 1140 | BRADENTON, FL                             |
|      | Rapides, LA                 | 0640 | AUSTIN, TX               |      | Manatee, FL                               |
| 0240 | ALLENTOWN-BETHLEHEM, PA-NJ  |      | Hays, TX                 | 1145 | BRAZORIA, TX                              |
|      | Warren, NJ                  |      | Travis, TX               |      | Brazoria, TX                              |
|      | Carbon, PA                  |      | Williamson, TX           | 1150 | BREMERTON, WA                             |
|      | Lehigh, PA                  | 0680 | BAKERSFIELD, CA          |      | Kitsap, WA                                |
|      | Northampton, PA             |      | Kern, CA                 | 1163 | BRIDGEPORT-STAMFORD-NORWALK-DANBURY, CT   |
| 0280 | ALTOONA, PA                 | 0720 | BALTIMORE, MD            |      | Fairfield, CT                             |
|      | Blair, PA                   |      | Anne Arundel, MD         | 1240 | BROWNSVILLE-HARLINGEN, TX                 |
| 0320 | AMARILLO, TX                |      | Baltimore, MD            |      | Cameron, TX                               |
|      | Potter, TX                  |      | Baltimore City, MD       | 1260 | BRYAN-COLLEGE STATION, TX                 |
|      | Randall, TX                 |      | Carroll, MD              |      | Brazos, TX                                |
| 0360 | ANAHEIM-SANTA ANA, CA       |      | Harford, MD              | 1280 | BUFFALO, NY                               |
|      | Orange, CA                  |      | Howard, MD               |      | Erie, NY                                  |
| 0380 | ANCHORAGE, AK               |      | Queens Annes, MD         | 1300 | BURLINGTON, NC                            |
|      | Anchorage, AK               | 0733 | BANGOR, ME               |      | Alamance, NC                              |
| 0400 | ANDERSON, IN                |      | Penobscot, ME            | 1303 | BURLINGTON, VT                            |
|      | Madison, IN                 | 0760 | BATON ROUGE, LA          |      | Chittenden, VT                            |
| 0405 | ANDERSON, SC                |      | Ascension, LA            |      | Grand Isle, VT                            |
|      | Anderson, SC                |      | East Baton Rouge, LA     | 1310 | CAGUAS, PR                                |
| 0440 | ANN ARBOR, MI               |      | Livingston, LA           |      | Caguas, PR                                |
|      | Washtenaw, MI               |      | West Baton Rouge, LA     |      | Cayey, PR                                 |
| 0450 | ANNISTON, AL                | 0780 | BATTLE CREEK, MI         |      | Cidra, PR                                 |
|      | Calhoun, AL                 |      | Calhoun, MI              |      | Gurabo, PR                                |
| 0460 | APPLETON-OSHKOSH-NEENAH, WI | 0840 | BEAUMONT-PORT ARTHUR, TX |      | San Lorenzo, PR                           |
|      | Calumet, WI                 |      | Hardin, TX               | 1320 | CANTON, OH                                |
|      | Outagamie, WI               |      | Jefferson, TX            |      | Carroll, OH                               |
|      | Winnebago, WI               |      | Orange, TX               |      | Stark, OH                                 |
| 0470 | ARECIBO, PR                 | 0845 | BEAVER COUNTY, PA        | 1350 | CASPER, WY                                |
|      | Arecibo, PR                 |      | Beaver, PA               |      | Natrona, WY                               |
|      | Camuy, PR                   | 0860 | BELLINGHAM, WA           | 1360 | CEDAR RAPIDS, IA                          |
|      | Hatillo, PR                 |      | Whatcom, WA              |      | Linn, IA                                  |
| 0480 | ASHEVILLE, NC               | 0870 | BENTON HARBOR, MI        | 1400 | CHAMPAIGN-URBANA-RANTOUL, IL              |
|      | Buncombe, NC                |      | Berrien, MI              |      | Champaign, IL                             |
| 0500 | ATHENS, GA                  | 0875 | BERGEN-PASSAIC, NJ       | 1440 | CHARLESTON, SC                            |
|      | Clarke, GA                  |      | Bergen, NJ               |      | Berkeley, SC                              |
|      | Jackson, GA                 |      | Passaic, NJ              |      | Charleston, SC                            |
|      | Madison, GA                 | 0880 | BILLINGS, MT             |      | Dorchester, SC                            |
|      | Oconee, GA                  |      | Yellowstone, MT          | 1480 | CHARLESTON, WV                            |
| 0520 | ATLANTA, GA                 | 0920 | BILOXI-GULFPORT, MS      |      | Kanawha, WV                               |
|      | Barrow, GA                  |      | Hancock, MS              |      | Putnam, WV                                |
|      | Butts, GA                   |      | Harrison, MS             | 1520 | CHARLOTTE-GASTONIA-ROCK HILL, NC-SC       |
|      | Cherokee, GA                | 0960 | BINGHAMTON, NY           |      | Cabarrus, NC                              |
|      | Clayton, GA                 |      | Broome, NY               |      | Gaston, NC                                |
|      | Cobb, GA                    |      | Tioga, NY                |      | Lincoln, NC                               |
|      | Coweta, GA                  | 1000 | BIRMINGHAM, AL           |      | Mechlenburg, NC                           |
|      | De Kalb, GA                 |      | Blount, AL               |      | Rowan, NC                                 |

## FOR URBAN RENAL FACILITIES

(Constituent Counties or County Equivalents)

| MSA  | NAME OF MSA                     | MSA  | NAME OF MSA                          | MSA  | NAME OF MSA                                |
|------|---------------------------------|------|--------------------------------------|------|--|
|      | Union, NC                       |      | Rockwall, TX                         |      | Washington, AR                             |
| 1540 | YORK, SC                        | 1950 | DANVILLE, VA                         | 2640 | FLINT, MI                                  |
|      | CHARLOTTESVILLE, VA             |      | Danville City, VA                    |      | Genesee, MI                                |
|      | Albermarle, Va                  |      | Pittsylvania, VA                     | 2650 | FLORENCE, AL                               |
|      | Charlottesville City, VA        | 1960 | DAVENPORT-ROCK ISLAND--MOLINE, IA-IL |      | Colbert, AL                                |
|      | Fluvanna, VA                    |      | Scott, IA                            |      | Lauderdale, AL                             |
|      | Greene, VA                      |      | Henry, IL                            | 2655 | FLORENCE, SC                               |
| 1560 | CHATTANOOGA, TN-GA              |      | Rock Island, IL                      |      | Florence, SC                               |
|      | Catoosa, GA                     | 2000 | DAYTON-SPRINGFIELD, OH               | 2670 | FORT COLLINS-LOVELAND, CO                  |
|      | Dade, GA                        |      | Clark, OH                            |      | Larimer, CO                                |
|      | Walker, GA                      |      | Greene, OH                           | 2680 | FT. LAUDERDALE-POMPANO BEACH-HOLLYWOOD, FL |
|      | Hamilton, TN                    |      | Miami, OH                            |      | Broward, FL                                |
|      | Marion, TN                      |      | Montgomery, OH                       | 2700 | FORT MYERS-CAPE CORAL, FL                  |
|      | Sequatchie, TN                  | 2020 | DAYTONA BEACH, FL                    |      | Lee, FL                                    |
| 1580 | CHEYENNE, WY                    |      | Volusia, FL                          | 2710 | FORT PIERCE, FL                            |
|      | Laramie, WY                     | 2040 | DECATUR, IL                          |      | Martin, FL                                 |
| 1600 | CHICAGO, IL                     |      | Macon, IL                            |      | St. Lucie, FL                              |
|      | Cook, IL                        | 2080 | DENVER, CO                           | 2720 | FORT SMITH, AR-OK                          |
|      | Du Page, IL                     |      | Adams, CO                            |      | Crawford, AR                               |
|      | McHenry, IL                     |      | Arapahoe, CO                         |      | Sebastian, AR                              |
| 1620 | CHICO, CA                       |      | Denver, CO                           |      | Sequoyah, OK                               |
|      | Butte, CA                       |      | Douglas, CO                          | 2750 | FORT WALTON BEACH, FL                      |
| 1640 | CINCINNATI, OH-KY-IN            |      | Jefferson, CO                        |      | Okaloosa, FL                               |
|      | Dearborn, IN                    | 2120 | DES MOINES, IA                       | 2760 | FORT WAYNE, IN                             |
|      | Boone, KY                       |      | Dallas, IA                           |      | Allen, IN                                  |
|      | Campbell, KY                    |      | Polk, IA                             |      | De Kalb, IN                                |
|      | Kenton, KY                      |      | Warren, IA                           |      | Whitley, IN                                |
|      | Clermont, OH                    | 2160 | DETROIT, MI                          | 2800 | FORT WORTH-ARLINGTON, TX                   |
|      | Hamilton, OH                    |      | Lapeer, MI                           |      | Johnson, TX                                |
|      | Warren, OH                      |      | Livingston, MI                       |      | Parker, TX                                 |
| 1660 | CLARKSVILLE-HOPKINSVILLE, TN-KY |      | Macomb, MI                           |      | Tarrant, TX                                |
|      | Christian, KY                   |      | Monroe, MI                           | 2840 | FRESNO, CA                                 |
|      | Montgomery, TN                  |      | Oakland, MI                          |      | Fresno, CA                                 |
| 1680 | CLEVELAND, OH                   |      | Saint Clair, MI                      | 2880 | GADSDEN, AL                                |
|      | Cuyahoga, OH                    |      | Wayne, MI                            |      | Etowah, AL                                 |
|      | Geauga, OH                      | 2180 | DOTHAN, AL                           | 2900 | GAINESVILLE, FL                            |
|      | Lake, OH                        |      | Dale, AL                             |      | Alachua, FL                                |
|      | Medina, OH                      |      | Houston, AL                          |      | Bradford, FL                               |
| 1720 | COLORADO SPRINGS, CO            | 2200 | DUBUQUE, IA                          | 2920 | GALVESTON-TEXAS CITY, TX                   |
|      | El Paso, CO                     |      | Dubuque, IA                          |      | Galveston, TX                              |
| 1740 | COLUMBIA, MO                    | 2240 | DULUTH, MN-WI                        | 2960 | GARY-HAMMOND, IN                           |
|      | Boone, MO                       |      | St. Louis, MN                        |      | Lake, IN                                   |
| 1760 | COLUMBIA, SC                    |      | Douglas, WI                          |      | Porter, IN                                 |
|      | Lexington, SC                   | 2290 | EAU CLAIRE, WI                       | 2975 | GLENS FALLS, NY                            |
|      | Richland, SC                    |      | Chippewa, WI                         |      | Warren, NY                                 |
| 1800 | COLUMBUS, GA-AL                 |      | Eau Claire, WI                       |      | Washington, NY                             |
|      | Russell, AL                     | 2320 | EL PASO, TX                          | 2985 | GRAND FORKS, ND                            |
|      | Chattahoochee, GA               |      | El Paso, TX                          |      | Grand Forks, ND                            |
|      | Muscogee, GA                    | 2330 | ELKHART-GOSHEN, IN                   | 3000 | GRAND RAPIDS, MI                           |
| 1840 | COLUMBUS, OH                    |      | Elkhart, IN                          |      | Kent, MI                                   |
|      | Delaware, OH                    | 2335 | ELMIRA, NY                           |      | Ottawa, MI                                 |
|      | Fairfield, OH                   |      | Chemung, NY                          | 3040 | GREAT FALLS, MT                            |
|      | Franklin, OH                    | 2340 | ENID, OK                             |      | Cascade, MT                                |
|      | Licking, OH                     |      | Garfield, OK                         | 3060 | GREELEY, CO                                |
|      | Madison, OH                     | 2360 | ERIE, PA                             |      | Weld, CO                                   |
|      | Pickaway, OH                    |      | Erie, PA                             | 3080 | GREEN BAY, WI                              |
|      | Union, OH                       | 2400 | EUGENE-SPRINGFIELD, OR               |      | Brown, WI                                  |
| 1880 | CORPUS CHRISTI, TX              |      | Lane, OR                             | 3120 | GREENSBORO-WINSTON SALEM-HIGH PT, NC       |
|      | Nueces, TX                      | 2440 | EVANSVILLE, IN-KY                    |      | Davidson, NC                               |
|      | San Patricio, TX                |      | Posey, IN                            |      | Davie, NC                                  |
| 1900 | CUMBERLAND, MD-WV               |      | Vanderburgh, IN                      |      | Forsyth, NC                                |
|      | Allegheny, MD                   |      | Warrick, IN                          |      | Guilford, NC                               |
|      | Mineral, WV                     |      | Henderson, KY                        |      | Randolph, NC                               |
| 1920 | DALLAS, TX                      | 2520 | FARGO-MOOREHEAD, ND-MN               |      | Stokes, NC                                 |
|      | Collin, TX                      |      | Clay, MN                             |      | Yadkin, NC                                 |
|      | Dallas, TX                      |      | Cass, ND                             | 3160 | GREENVILLE-SPARTANBURG, SC                 |
|      | Denton, TX                      | 2560 | FAYETTEVILLE, NC                     |      | Greenville, SC                             |
|      | Ellis, TX                       |      | Cumberland, NC                       |      | Pickens, SC                                |
|      | Kaufman, TX                     | 2580 | FAYETTEVILLE-SPRINGDALE, AR          |      | Spartanburg, SC                            |

**FOR URBAN RENAL FACILITIES**  
(Constituent Counties or County Equivalents)

| MSA  | NAME OF MSA                                | MSA  | NAME OF MSA                           | MSA  | NAME OF MSA                   |
|------|--|------|---------------------------------------|------|-------------------------------|
| 3180 | HAGERSTOWN, MD                             |      | Nassau, FL                            |      | Lafayette, LA                 |
|      | Washington, MD                             |      | St. Johns, FL                         |      | St. Martin, LA                |
| 3200 | HAMILTON-MIDDLETOWN, OH                    | 3605 | JACKSONVILLE, NC                      | 3920 | LAFAYETTE, IN                 |
|      | Butler, OH                                 |      | Onslow, NC                            |      | Tippecanoe, IN                |
| 3240 | HARRISBURG-LEBANON-CARLISLE, PA            | 3620 | JANESVILLE-BELOIT, WI                 | 3960 | LAKE CHARLES, LA              |
|      | Cumberland, PA                             |      | Rock, WI                              |      | Calcasieu, LA                 |
|      | Dauphin, PA                                | 3640 | JERSEY CITY, NJ                       | 3965 | LAKE COUNTY, IL               |
|      | Lebanon, PA                                |      | Hudson, NJ                            |      | Lake, IL                      |
|      | Perry, PA                                  | 3660 | JOHNSON CITY-KINGSPORT-BRISTOL, TN-VA | 3980 | LAKELAND-WINTER HAVEN, FL     |
| 3283 | HARTFORD-NEW MIDDLETON-BRITAIN-BRISTOL, CT |      | Carter, TN                            |      | Polk, FL                      |
|      | Hartford, CT                               |      | Hawkins, TN                           | 4000 | LANCASTER, PA                 |
|      | Litchfield, CT                             |      | Sullivan, TN                          |      | Lancaster, PA                 |
|      | Middlesex, CT                              |      | Unicoi, TN                            | 4040 | LANSING-EAST LANSING, MI      |
|      | Tolland, CT                                |      | Washington, TN                        |      | Clinton, MI                   |
| 3290 | HICKORY, NC                                |      | Bristol City, VA                      |      | Eaton, MI                     |
|      | Alexander, NC                              |      | Scott, VA                             |      | Ingham, MI                    |
|      | Burke, NC                                  |      | Washington, VA                        | 4080 | LAREDO, TX                    |
|      | Catawba, NC                                | 3680 | JOHNSTOWN, PA                         |      | Webb, TX                      |
| 3320 | HONOLULU, HI                               |      | Cambria, PA                           | 4100 | LAS CRUCES, NM                |
|      | Honolulu, HI                               |      | Somerset, PA                          |      | Dona Ana, NM                  |
| 3350 | HOUMA-THIBODAUX, LA                        | 3690 | JOLIET, IL                            | 4120 | LAS VEGAS, NV                 |
|      | LaFourche, LA                              |      | Grundy, IL                            |      | Clark, NV                     |
|      | Terrebonne, LA                             |      | Will, IL                              | 4150 | LAWRENCE, KS                  |
| 3360 | HOUSTON, TX                                | 3710 | JOPLIN, MO                            |      | Douglas, KS                   |
|      | Fort Bend, TX                              |      | Jasper, MO                            | 4200 | LAWTON, OK                    |
|      | Harris, TX                                 |      | Newton, MO                            |      | Comanche, OK                  |
|      | Liberty, TX                                | 3720 | KALAMAZOO, MI                         | 4243 | LEWISTON-AUBURN, ME           |
|      | Montgomery, TX                             |      | Kalamazoo, MI                         |      | Androscoggin, ME              |
|      | Waller, TX                                 | 3740 | KANKAKEE, IL                          | 4280 | LEXINGTON-FAYETTE, KY         |
| 3400 | HUNTINGTON-ASHLAND, WV-KY-OH               |      | Kankakee, IL                          |      | Bourbon, KY                   |
|      | Boyd, KY                                   | 3760 | KANSAS CITY, KS-MO                    |      | Clark, KY                     |
|      | Carter, KY                                 |      | Johnson, KS                           |      | Fayette, KY                   |
|      | Greenup, KY                                |      | Leavenworth, KS                       |      | Jessamine, KY                 |
|      | Lawrence, OH                               |      | Miami, KS                             |      | Scott, KY                     |
|      | Cabell, WV                                 |      | Wyandotte, KS                         |      | Woodford, KY                  |
|      | Wayne, WV                                  |      | Cass, MO                              | 4320 | LIMA, OH                      |
| 3440 | HUNTSVILLE, AL                             |      | Clay, MO                              |      | Allen, OH                     |
|      | Madison, AL                                |      | Jackson, MO                           |      | Auglaize, OH                  |
| 3480 | INDIANAPOLIS, IN                           |      | Lafayette, MO                         | 4360 | LINCOLN, NE                   |
|      | Boone, IN                                  |      | Platte, MO                            |      | Lancaster, NE                 |
|      | Hamilton, IN                               |      | Ray, MO                               | 4400 | LITTLE ROCK-N LITTLE ROCK, AR |
|      | Hancock, IN                                | 3800 | KENOSHA, WI                           |      | Faulker, AR                   |
|      | Hendricks, IN                              |      | Kenosha, WI                           |      | Lonoke, AR                    |
|      | Johnson, IN                                | 3810 | KILLEEN-TEMPLE, TX                    |      | Pulaski, AR                   |
|      | Marion, IN                                 |      | Bell, TX                              |      | Saline, AR                    |
|      | Morgan, IN                                 |      | Coryell, TX                           | 4420 | LONGVIEW-MARSHALL, TX         |
|      | Shelby, IN                                 | 3840 | KNOXVILLE, TN                         |      | Gregg, TX                     |
| 3500 | IOWA CITY, IA                              |      | Anderson, TN                          |      | Harrison, TX                  |
|      | Johnson, IA                                |      | Blount, TN                            | 4440 | LORAIN-ELYRIA, OH             |
| 3520 | JACKSON, MI                                |      | Grainger, TN                          |      | Lorain, OH                    |
|      | Jackson, MI                                |      | Jefferson, TN                         | 4480 | LOS ANGELES-LONG BEACH, CA    |
| 3560 | JACKSON, MS                                |      | Knox, TN                              |      | Los Angeles, CA               |
|      | Hinds, MS                                  |      | Sevier, TN                            | 4520 | LOUISVILLE, KY-IN             |
|      | Madison, MS                                |      | Union, TN                             |      | Clark, IN                     |
|      | Rankin, MS                                 | 3850 | KOKOMO, IN                            |      | Floyd, IN                     |
| 3580 | JACKSON, TN                                |      | Howard, IN                            |      | Harrison, IN                  |
|      | Madison, TN                                |      | Tipton, IN                            |      | Bullitt, KY                   |
| 3600 | JACKSONVILLE, FL                           | 3870 | LACROSSE, WI                          |      | Jefferson, KY                 |
|      | Clay, FL                                   |      | LaCrosse, WI                          |      | Oldham, KY                    |
|      | Duval, FL                                  | 3880 | LAFAYETTE, LA                         |      | Shelby, KY                    |

**FOR URBAN RENAL FACILITIES**  
(Constituent Counties or County Equivalents)

| MSA  | NAME OF MSA  | MSA  | NAME OF MSA   | MSA  | NAME OF MSA   |
|------|--|------|---|------|---|
| 4600 | LUBBOCK, TX<br>Lubbock, TX   |      | Monmouth, NJ  |      | Alameda, CA   |
| 4640 | LYNCHBURG, VA<br>Amherst, VA<br>Campbell, VA<br>Lynchburg City, VA   | 5200 | Ocean, NJ<br>MONROE, LA<br>Ouachita, LA   | 5790 | OCALA, FL<br>Marion, FL   |
| 4680 | MACON-WARNER ROBINS, GA<br>Bibb, GA<br>Houston, GA<br>Jones, GA<br>Peach, GA   | 5240 | MONTGOMERY, AL<br>Autauga, AL<br>Elmore, AL<br>Montgomery, AL   | 5800 | ODESSA, TX<br>Ector, TX   |
| 4720 | MADISON, WI<br>Dane, WI  | 5280 | MUNCIE, IN<br>Delaware, IN  | 5880 | OKLAHOMA CITY, OK<br>Canadian, OK<br>Cleveland, OK<br>Logan, OK<br>McClain, OK<br>Oklahoma, OK<br>Pottawatomie, OK                                      |
| 4763 | MANCHESTER-NASHUA, NH<br>Hillsboro, NH<br>Merrimack, NH  | 5320 | MUSKEGON, MI<br>Muskegon, MI  | 5910 | OLYMPIA, WA<br>Thurston, WA   |
| 4800 | MANSFIELD, OH<br>Richland, OH  | 5345 | NAPLES, FL<br>Collier, FL   | 5920 | OMAHA, NE-IA<br>Pottawattamie, IA<br>Douglas, NE<br>Sarpy, NE<br>Washington, NE   |
| 4840 | MAYAGUEZ, PR<br>Anasco, PR<br>Cabo Rojo, PR<br>Hormigueros, PR<br>Mayaguez, PR<br>Sabana Grande, PR<br>San German, PR  | 5360 | NASHVILLE, TN<br>Cheatham, TN<br>Davidson, TN<br>Dickson, TN<br>Robertson, TN<br>Rutherford, TN<br>Sumner, TN<br>Williamson, TN<br>Wilson, TN   | 5950 | ORANGE COUNTY, NY<br>Orange, NY   |
| 4880 | MCALLEN-EDINBURG-MISSION, TX<br>Hidalgo, TX  | 5380 | NASSAU-SUFFOLK, NY<br>Nassau, NY<br>Suffolk, NY   | 5960 | ORLANDO, FL<br>Orange, FL<br>Osceola, FL<br>Seminole, FL  |
| 4890 | MEDFORD, OR<br>Jackson, OR   | 5403 | NEW BEDFORD-FALL RIVER-ATTLEBORO, MA<br>Bristol, MA   | 5990 | OWENSBORO, KY<br>Davies, KY   |
| 4900 | MELBOURNE-TITUSVILLE, FL<br>Brevard, FL  | 5483 | NEW HAVEN-W. HAVEN-WATERBURY-MERIDEN, CT<br>New Haven, CT   | 6000 | OXNARD-VENTURA, CA<br>Ventura, CA   |
| 4920 | MEMPHIS, TN-AR-MS<br>Crittenden, AR<br>De Soto, MS<br>Shelby, TN<br>Tipton, TN   | 5523 | NEW LONDON-NORWICH, CT<br>New London, CT  | 6015 | PANAMA CITY, FL<br>Bay, FL  |
| 4940 | MERCED, CA<br>Merced, CA   | 5560 | NEW ORLEANS, LA<br>Jefferson, LA<br>Orleans, LA<br>St. Bernard, LA<br>St. Charles, LA<br>St. John The Baptist, LA<br>St. Tammany, LA  | 6020 | PARKERSBURG-MARIETTA, WV-OH<br>Washington, OH<br>Wood, WV   |
| 5000 | MIAMI-HIALEAH, FL<br>Dade, FL  | 5600 | NEW YORK, NY<br>Bronx, NY<br>Kings, NY<br>New York City, NY<br>Putnam, NY<br>Queens, NY<br>Richmond, NY<br>Rockland, NY<br>Westchester, NY  | 6025 | PASCAGOULA, MS<br>Jackson, MS   |
| 5015 | MIDDLESEX-SOMERSET-HUNTERDON, NJ<br>Hunterdon, NJ<br>Middlesex, NJ<br>Somerset, NJ   | 5640 | NEWARK, NJ<br>Essex, NJ<br>Morris, NJ<br>Sussex, NJ<br>Union, NJ  | 6080 | PENSACOLA, FL<br>Escambia, FL<br>Santa Rosa, FL   |
| 5040 | MIDLAND, TX<br>Midland, TX   | 5700 | NIAGARA FALLS, NY<br>Niagara, NY  | 6120 | PEORIA, IL<br>Peoria, IL<br>Tazewell, IL<br>Woodford, IL  |
| 5080 | MILWAUKEE, WI<br>Milwaukee, WI<br>Ozaukee, WI<br>Washington, WI<br>Waukesha, WI  | 5720 | NORFOLK-VA BEACH-NEWPORT NEWS, VA<br>Chesapeake City, VA<br>Gloucester, VA<br>Hampton City, VA<br>James City Co., VA<br>Newport News City, VA<br>Norfolk City, VA<br>Poquoson City, VA<br>Portsmouth City, VA<br>Suffolk City, VA<br>Virginia Beach City, VA<br>Williamsburg City, VA<br>York, VA | 6160 | PHILADELPHIA, PA-NJ<br>Burlington, NJ<br>Camden, NJ<br>Gloucester, NJ<br>Bucks, PA<br>Chester, PA<br>Delaware, PA<br>Montgomery, PA<br>Philadelphia, PA |
| 5120 | MINNEAPOLIS-ST PAUL, MN-WI<br>Anoka, MN<br>Carver, MN<br>Chisago, MN<br>Dakota, MN<br>Hennepin, MN<br>Isanti, MN<br>Ramsey, MN<br>Scott, MN<br>Washington, MN<br>Wright, MN<br>St. Croix, WI | 5775 | OAKLAND, CA   | 6200 | PHOENIX, AZ<br>Maricopa, AZ   |
| 5160 | MOBILE, AL<br>Baldwin, AL<br>Mobile, AL  |      |   | 6240 | PINE BLUFF, AR<br>Jefferson, AR   |
| 5170 | MODESTO, CA<br>Stanislaus, CA  |      |   | 6280 | PITTSBURGH, PA<br>Allegheny, PA<br>Fayette, PA<br>Washington, PA<br>Westmoreland, PA  |
| 5190 | MONMOUTH-OCEAN, NJ   |      |   | 6323 | PITTSFIELD, MA<br>Berkshire, MA   |
|      |  |      |   | 6360 | PONCE, PR<br>Guayanilla, PR<br>Juana Diaz, PR<br>Penuelas, PR<br>Ponce, PR  |

# FOR URBAN RENAL FACILITIES

(Constituent Counties or County Equivalents)

| MSA  | NAME OF MSA                         | MSA  | NAME OF MSA                          | MSA  | NAME OF MSA                        |
|------|-------------------------------------|------|--------------------------------------|------|------------------------------------|
|      | Villalba, PR                        | 6840 | ROCHESTER, NY                        | 7490 | SANTA FE, NM                       |
| 6403 | Yauco, PR                           |      | Livingston, NY                       |      | Los Alamos, NM                     |
|      | PORTLAND, ME                        |      | Monroe, NY                           |      | Santa Fe, NM                       |
|      | Cumberland, ME                      |      | Ontario, NY                          | 7500 | SANTA ROSA-PETALUMA, CA            |
|      | Sagadahoc, ME                       |      | Orleans, NY                          |      | Sonoma, CA                         |
|      | York, ME                            |      | Wayne, NY                            | 7510 | SARASOTA, FL                       |
| 6440 | PORTLAND, OR                        | 6880 | ROCKFORD, IL                         |      | Sarasota, FL                       |
|      | Clackamas, OR                       |      | Boone, IL                            | 7520 | SAVANNAH, GA                       |
|      | Multnomah, OR                       |      | Winnebago, IL                        |      | Chatham, GA                        |
|      | Washington, OR                      | 6920 | SACRAMENTO, CA                       |      | Effingham, GA                      |
|      | Yamhill, OR                         |      | El Dorado, CA                        | 7560 | SCRANTON-WILKES BARRE, PA          |
| 6453 | PORTSMOUTH-DOVER-ROCHESTER, NH      |      | Placer, CA                           |      | Columbia, PA                       |
|      | Rockingham, NH                      |      | Sacramento, CA                       |      | Lackawanna, PA                     |
|      | Strafford, NH                       |      | Yolo, CA                             |      | Luzerne, PA                        |
| 6460 | POUGHKEEPSIE, NY                    | 6960 | SAGINAW-BAY CITY-MIDLAND, MI         |      | Monroe, PA                         |
|      | Dutchess, NY                        |      | Bay, MI                              |      | Wyoming, PA                        |
| 6483 | PROVIDENCE-PAWTUCKET-WOONSOCKET, RI |      | Midland, MI                          | 7600 | SEATTLE, WA                        |
|      | Bristol, RI                         |      | Saginaw, MI                          |      | King, WA                           |
|      | Kent, RI                            | 6980 | ST CLOUD, MN                         |      | Snohomish, WA                      |
|      | Newport, RI                         |      | Benton, MN                           | 7610 | SHARON, PA                         |
|      | Providence, RI                      |      | Sherburne, MN                        |      | Mercer, PA                         |
|      | Statewide, RI                       |      | Stearns, MN                          | 7620 | SHEBOYGAN, WI                      |
|      | Washington, RI                      |      | St. Joseph, MO                       |      | Sheboygan, WI                      |
| 6520 | PROVO-OREM, UT                      | 7000 | Buchanan, MO                         | 7640 | SHERMAN-DENISON, TX                |
|      | Utah, UT                            |      |                                      |      | Grayson, TX                        |
| 6560 | PUEBLO, CO                          | 7040 | ST LOUIS, MO-IL                      | 7680 | SHREVEPORT, LA                     |
|      | Pueblo, CO                          |      | Clinton, IL                          |      | Bossier, LA                        |
| 6600 | RACINE, WI                          |      | Jersey, IL                           |      | Caddo, LA                          |
|      | Racine, WI                          |      | Madison, IL                          | 7720 | SIOUX CITY, IA-NE                  |
| 6640 | RALEIGH-DURHAM, NC                  |      | Monroe, IL                           |      | Woodbury, IA                       |
|      | Durham, NC                          |      | St. Clair, IL                        |      | Dakota, NE                         |
|      | Franklin, NC                        |      | Franklin, MO                         | 7760 | SIOUX FALLS, SD                    |
|      | Orange, NC                          |      | Jefferson, MO                        |      | Minnehaha, SD                      |
|      | Wake, NC                            |      | St. Charles, MO                      | 7800 | SOUTH BEND-MISHAWAKA, IN           |
| 6660 | RAPID CITY, SD                      |      | St. Louis, MO                        |      | St. Joseph, IN                     |
|      | Pennington, SD                      |      | St. Louis City, MO                   | 7840 | SPOKANE, WA                        |
| 6680 | READING, PA                         | 7080 | SALEM, OR                            |      | Spokane, WA                        |
|      | Berks, PA                           |      | Marion, OR                           | 7880 | SPRINGFIELD, IL                    |
| 6690 | RTEDDING, CA                        |      | Polk, OR                             |      | Menard, IL                         |
|      | Shasta, CA                          | 7120 | SALINAS-SEASIDE-MONTEREY, CA         |      | Sangamon, IL                       |
| 6720 | RENO, NV                            |      | Monterey, CA                         | 7920 | SPRINGFIELD, MO                    |
|      | Washoe, NV                          |      |                                      |      | Christian, MO                      |
| 6740 | RICHLAND-KENNEWICK, WA              | 7160 | SALT LAKE CITY-OGDEN, UT             |      | Greene, MO                         |
|      | Benton, WA                          |      | Davis, UT                            | 8003 | SPRINGFIELD, MA                    |
|      | Franklin, WA                        |      | Salt Lake, UT                        |      | Hampden, MA                        |
| 6760 | RICHMOND-PETERSBURG, VA             |      | Weber, UT                            |      | Hampshire, MA                      |
|      | Charles City County, VA             | 7200 | SAN ANGELO, TX                       | 8050 | STATE COLLEGE, PA                  |
|      | Chesterfield, VA                    |      | Tom Green, TX                        |      | Centre, PA                         |
|      | Colonial Heights City, VA           | 7240 | SAN ANTONIO, TX                      | 8080 | STEUBENVILLE-WEIRTON, OH-WV        |
|      | Dinwiddie, VA                       |      | Bexar, TX                            |      | Jefferson, OH                      |
|      | Goochland, VA                       |      | Comal, TX                            |      | Brooke, WV                         |
|      | Hanover, VA                         | 7320 | SAN DIEGO, CA                        |      | Hancock, WV                        |
|      | Henrico, VA                         |      | San Diego, CA                        | 8120 | STOCKTON, CA                       |
|      | Hopewell City, VA                   |      | Marin, CA                            |      | San Joaquin, CA                    |
|      | New Kent, VA                        |      | San Francisco, CA                    | 8160 | SYRACUSE, NY                       |
|      | Petersburg City, VA                 |      | San Francisco, CA                    |      | Madison, NY                        |
|      | Powhatan, VA                        |      | San Mateo, CA                        |      | Onondaga, NY                       |
|      | Prince George, VA                   | 7400 | SAN JOSE, CA                         |      | Oswego, NY                         |
|      | Richmond City, VA                   |      | Santa Clara, CA                      | 8200 | TACOMA, WA                         |
| 6780 | RIVERSIDE-SAN BERNARDINO, CA        | 7440 | SAN JUAN, PR                         |      | Pierce, WA                         |
|      | Riverside, CA                       |      | Aguas Buenas, PR                     | 8240 | TALLAHASSEE, FL                    |
|      | San Bernardino, CA                  |      | Barceloneta, PR                      |      | Gadsden, FL                        |
| 6800 | ROANOKE, VA                         |      | Bayamon, PR                          |      | Leon, FL                           |
|      | Botetourt, VA                       |      | Canovanas, PR                        | 8280 | TAMPA-ST PETERSBURG-CLEARWATER, FL |
|      | Roanoke, VA                         |      | Carolina, PR                         |      | Hernando, FL                       |
|      | Roanoke City, VA                    |      | Catano, PR                           |      | Hillsborough, FL                   |
|      | Salem City, VA                      | 7480 | SANTA BARBARA-SANTA MARIA-LOMPOC, CA |      | Pasco, FL                          |
| 6820 | ROCHESTER, MN                       |      | Santa Barbara, CA                    |      | Pinellas, FL                       |
|      | Olmsted, MN                         | 7485 | SANTA CRUZ, CA                       | 8320 | TERRE HAUTE, IN                    |
|      |                                     |      | Santa Cruz, CA                       |      |                                    |

## FOR URBAN RENAL FACILITIES

(Constituent Counties or County Equivalents)

| MSA  | NAME OF MSA                 | MSA  | NAME OF MSA                            | MSA  | NAME OF MSA                        |
|------|-----------------------------|------|--|------|------------------------------------|
|      | Clay, IN                    |      | Victoria, TX                           |      | Marshall, WV                       |
| 8360 | TEXARKANA, TX-TEXARKANA, AR | 8760 | VINELAND-MILLVILLE-BRIDGETON, NJ       | 9040 | WICHITA, KS                        |
|      | Miller, AR                  | 8780 | Cumberland, NJ                         |      | Butler, KS                         |
| 8400 | TOLEDO, OH                  |      | VISALIA-TULARE-PORTERVILLE, CA         |      | Sedgwick, KS                       |
|      | Bowie, TX                   | 8800 | Tulare, CA                             | 9080 | WICHITA FALLS, TX                  |
|      | Fulton, OH                  |      | WACO, TX                               |      | Wichita, TX                        |
| 8440 | TOPEKA, KS                  | 8840 | McLennan, TX                           | 9140 | WILLIAMSPORT, PA                   |
|      | Shawnee, KS                 |      | WASHINGTON, DC-MD-VA                   |      | Lycoming, PA                       |
| 8480 | TRENTON, NJ                 |      | District of Columbia, DC               | 9160 | WILMINGTON, DE-NJ-MD               |
|      | Mercer, NJ                  |      | Calvert, MD                            |      | New Castle, DE                     |
| 8520 | TUCSON, AZ                  |      | Charles, MD                            |      | Cecil, MD                          |
|      | Pima, AZ                    |      | Frederick, MD                          | 9200 | WILMINGTON, NC                     |
| 8560 | TULSA, OK                   |      | Montgomery, MD                         |      | New Hanover, NC                    |
|      | Creek, OK                   |      | Prince Georges, MD                     | 9243 | WORCESTER-FITCHBURG-LEOMINSTER, MA |
|      | Osage, OK                   |      | Alexandria City, VA                    |      | Worcester, MA                      |
|      | Rogers, OK                  |      | Arlington, VA                          | 9260 | YAKIMA, WA                         |
|      | Tulsa, OK                   |      | Fairfax, VA                            |      | Yakima, WA                         |
|      | Wagoner, OK                 |      | Fairfax City, VA                       | 9280 | YORK, PA                           |
| 8600 | TUSCALOOSA, AL              |      | Falls Church City, VA                  |      | Adams, PA                          |
|      | Tuscaloosa, AL              |      | Loudoun, VA                            |      | York, PA                           |
| 8640 | TYLER, TX                   |      | Manassas City, VA                      | 9320 | YOUNGSTOWN-WARREN, OH              |
|      | Smith, TX                   |      | Manassas Park City, VA                 |      | Mahoning, OH                       |
| 8680 | UTICA-ROME, NY              | 8920 | Prince William, VA                     |      | Trumbull, OH                       |
|      | Herkimer, NY                |      | Stafford, VA                           | 9340 | YUBA CITY, CA                      |
|      | Oneida, NY                  |      | WATERLOO-CEDAR FALLS, IA               |      | Sutter, CA                         |
| 8720 | VALLEJO-FAIRFIELD-NAPA, CA  | 8940 | Black Hawk, IA                         |      | Yuba, CA                           |
|      | Napa, CA                    |      | Bremer, IA                             |      |                                    |
|      | Solano, CA                  | 8960 | Wausau, WI                             |      |                                    |
| 8725 | VANCOUVER, WA               |      | Marathon, WI                           |      |                                    |
|      | Clark, WA                   |      | W.PALM BEACH-BOCA RATON-DELRAY BCH, FL |      |                                    |
| 8750 | VICTORIA, TX                | 9000 | Delary Beach, FL                       |      |                                    |
|      |                             |      | Palm Beach, FL                         |      |                                    |
|      |                             |      | WHEELING, WV-OH                        |      |                                    |
|      |                             |      | Belmont, OH                            |      |                                    |

## FOR RURAL RENAL FACILITIES

|    |             |    |                |    |                 |
|----|-------------|----|----------------|----|-----------------|
| AL | ALABAMA     | MD | MARYLAND       | PR | PUERTO RICO (1) |
| AK | ALASKA      | MA | MASSACHUSETTS  | RI | RHODE ISLAND    |
| AZ | ARIZONA     | MI | MICHIGAN       | SC | SOUTH CAROLINA  |
| AR | ARKANSAS    | MN | MINNESOTA      | SD | SOUTH DAKOTA    |
| CA | CALIFORNIA  | MS | MISSISSIPPI    | TN | TENNESSEE       |
| CO | COLORADO    | MO | MISSOURI       | TX | TEXAS           |
| CT | CONNECTICUT | MT | MONTANA        | UT | UTAH            |
| DE | DELAWARE    | NB | NEBRASKA       | VT | VERMONT         |
| FL | FLORIDA     | NV | NEVADA         | VA | VIRGINIA        |
| GA | GEORGIA     | NH | NEW HAMPSHIRE  | WA | WASHINGTON      |
| HI | HAWAII      | NJ | NEW JERSEY (1) | WV | WEST VIRGINIA   |
| ID | IDAHO       | NM | NEW MEXICO     | WI | WISCONSIN       |
| IL | ILLINOIS    | NY | NEW YORK       | WY | WYOMING         |
| IN | INDIANA     | NC | NORTH CAROLINA |    |                 |
| IA | IOWA        | ND | NORTH DAKOTA   |    |                 |
| KS | KANSAS      | OH | OHIO           |    |                 |
| KY | KENTUCKY    | OK | OKLAHOMA       |    |                 |
| LA | LOUISIANA   | OR | OREGON         |    |                 |
| ME | MAINE       | PA | PENNSYLVANIA   |    |                 |

(1) All Counties within the State are classified Urban.

## **30.1 - Publication of Composite Rates**

*(Rev.373, Issued: 11-19-04, Effective: 01-01-05, Implementation: 01-03-05)*

The composite rate regulations require CMS to publish composite payment rates in a “Federal Register” notice when CMS incorporates new cost data or wage index. These rates are updated using new program data or revising the payment methodology. Each base rate consists of a labor portion and a nonlabor portion for both hospital and independent renal facilities. When the composite payment rates are updated, a listing of the new composite payment rates is published. These rates are updated and published as needed and are used when issuing a composite payment rate to a new facility or an existing facility.

The CMS notifies FIs when new composite payment rates are issued. An FI, before the effective date of new composite payment rates, is responsible for notifying each ESRD facility of its composite payment rate in writing. At the same time, the FI sends a copy of the notification to CMS Central Office at the following address:

Centers for Medicare & Medicaid Services  
Center for Medicare Management  
Chronic Care Policy Group  
Room: C5-05-27  
7500 Security Boulevard  
Baltimore, MD 21244-1850

The FI must notify the facility of its payment rate even if the facility’s payment rate (i.e. the composite cap of *\$159.08*) does not change. Published composite payment rates stay in effect until CMS announces new payment rates. The issuing of new payment rates includes an effective date for these rates, and the procedures for determining an individual facility’s payment rates are in the Medicare Provider Reimbursement Manual (PRM), Part I, §2706.1.

## **30.2 - Determining Individual Facility Composite Rate**

*(Rev.373, Issued: 11-19-04, Effective: 01-01-05, Implementation: 01-03-05)*

To determine a facility’s composite rate payment, use the following procedures:

### **A. Determine Whether Facility Is Classified as Hospital-Based or Independent Facility**

To receive the higher hospital composite rate payment, a facility must be approved by an RO as hospital-based. The RO approves a facility as hospital-based, if it determines that the requirements are met. If these requirements are met, the RO assigns a hospital or hospital-based satellite identification number. If the RO determines that the requirements are not met, it may approve the facility as independent and assign an identification

number in the 2000 series. Intermediaries and facilities may assume that existing classifications are proper unless they are changed under the usual annual survey or, at some other time, at the special request of the facility or CMS.

If any ESRD facility is under the Initial Method (IM), add the IM add-on amount to the labor portion of the base composite rate before applying the facility's wage index in calculating the facility's composite rate. (See §2715 of PRM, Part 1 for the IM.)

## **B. Determine Facility's Wage Index**

### **1. General**

Each facility is classified as either urban or rural. Urban facilities use the wage index for the Metropolitan Statistical Area (MSA) in which the facility is located and rural facilities use the rural wage index. The ESRD composite rate payment system utilizes its own wage index that is different from the hospital PPS systems wage index.

### **2. Application of Wage Index to Hospital-Based Satellite**

In some instances, a facility, which is assigned a hospital-based satellite identification number, is located in a different geographical area than the main hospital complex. As a result of its location, the satellite facility is assigned a wage index that is different from the wage index assigned to the hospital. For example, the hospital is classified as urban and uses the wage index for the MSA in which the facility is located, while the hospital-based satellite is classified as rural and uses the rural wage index for that State. The wage index applicable to the hospital also applies to the satellite if the actual wage scales are identical in both the hospital and satellite facility. The provider must furnish auditable financial data to the FI who demonstrates that the wage scales are identical; e.g., the wages and benefits paid to the employees of the satellite are identical to the wages and benefits paid to the employees of the hospital. The FI reviews the facility's documentation to verify that the wage index for the hospital is also appropriate for the satellite facility, and then submits the notification of the facility's revised rate to CMS. If the wage scales are not identical, the wage indexes are based on each facility's geographical location.

## ***C. New ESRD Composite Payment Rates Effective January 1, 2005 Include a 1.6% Increase and a Drug Add-On Adjustment***

*In accordance with the appropriate provisions of §623 of the MMA, the new rates will be calculated as follows: (a) the wage adjusted composite payment rates in effect on December 31, 2004 will be increased by 1.6 percent as required by §623(a)(3); (b) these new rates will be further increased by a drug add-on adjustment (or multiplier), in the amount of 8.7 percent. This drug add-on adjustment represents the difference between our current payment of 95% of AWP for separately billed drugs and biologicals, and \$10.00 per 1,000 units for EPO, and the acquisition costs of such drugs and biologicals,*

*as determined by Inspector General reports to the Secretary as required by §623(c) and §623(d)(1)(B) of the MMA.*

## **50.3 - Required Information for In-Facility Claims Paid Under the Composite Rate**

*(Rev.373, Issued: 11-19-04, Effective: 01-01-05, Implementation: 01-03-05)*

Form Locator (FL) 4 - Type of Bill Code Structure

Acceptable codes for Medicare are:

721 - Admit Through Discharge Claim - This code is used for a bill encompassing an entire course of outpatient treatment for which the provider expects payment from the payer.

722 - Interim - First Claim - This code is used for the first of an expected series of payment bills for the same course of treatment.

723 - Interim - Continuing Claim - This code is used when a payment bill for the same course of treatment is submitted and further bills are expected to be submitted later.

724 - Interim - Last Claim - This code is used for a payment bill which is the last of a series for this course of treatment. The "Through" date of this bill (FL 6) is the discharge date for this course of treatment.

727 - Replacement of Prior Claim - This code is used when the provider wants to correct (other than late charges) a previously submitted bill. The previously submitted bill needs to be resubmitted in its entirety, changing only the items that need correction. This is the code used for the corrected or "new" bill.

728 - Void/Cancel of a Prior Claim - This code indicates this bill is a cancel-only adjustment of an incorrect bill previously submitted. Cancel-only adjustments should be used only in cases of incorrect provider identification numbers, incorrect HICNs, duplicate payments and some OIG recoveries. For incorrect provider numbers or HICNs, a corrected bill is also submitted using a code 721.

FL 6 - Statement Covers Period (From-Through) - Hospital-based and independent renal dialysis facilities:

Show the dates during which the patient's care was under the supervision of the facility. Exclude dates when the patient's care was under the supervision of another entity (e.g., hospital, another ESRD facility, SNF).

FLs 24, 25, 26, 27, 28, 29 and 30 - Condition Codes

Hospital-based and independent renal facilities complete these items. Note that one of the codes 71-76 is applicable for every bill. Special Program Indicator codes A0-A9 are not required.

Condition Code Structure (only codes affecting Medicare payment/processing are shown).

02 - Condition is Employment Related - Providers enter this code if the patient alleges that the medical condition causing this episode of care is due to environment/events resulting from employment.

04 - Patient is HMO Enrollee - Providers enter this code to indicate the patient is a member of an HMO.

71 - Full Care in Unit - Providers enter this code to indicate the billing is for a patient who received staff-assisted dialysis services in a hospital or renal dialysis facility.

72 - Self-Care in Unit - Providers enter this code to indicate the billing is for a patient who managed his own dialysis in a hospital or renal dialysis facility.

73 - Self-Care in Training - Providers enter this code to indicate the billing is for special dialysis services where a patient and his/her helper (if necessary) were learning to perform dialysis.

76 - Back-up In-facility Dialysis - Providers enter this code to indicate the billing is for a home dialysis patient who received back-up dialysis in a facility.

FLs 32, 33, 34 and 35 - Occurrence Codes and Dates

Codes(s) and associated date(s) defining specific events(s) relating to this billing period are shown. Event codes are two alpha-numeric digits, and dates are shown as six numeric digits (MM-DD-YY). When occurrence codes 01-04 and 24 are entered, make sure the entry includes the appropriate value code in FLs 39-41, if there is another payer involved.

Fields 32A-35A must be completed before fields 32B-35B are used.

Occurrence and occurrence span codes are mutually exclusive. Occurrence codes have values from 01 through 69 and A0 through L9. Occurrence span codes have values from 70 through 99 and M0 through Z9.

24 - Date Insurance Denied - Code indicates the date of receipt of a denial of coverage by a higher priority payer.

33 - First Day of Medicare Coordination Period for ESRD Beneficiaries Covered by an EGHP - Code indicates the first day of the Medicare coordination period during which Medicare benefits are payable under an EGHP. This is required only for ESRD beneficiaries.

FL 36 - Occurrence Span Code and Dates

Code(s) and associated beginning and ending dates(s) defining a specific event relating to this billing period are shown. Event codes are two alpha-numeric digits and dates are shown numerically as MM-DD-YY.

74 - Noncovered Level of Care - This code is used for repetitive Part B services to show a period of inpatient hospital care or of outpatient surgery during the billing period.

FL 37 – Internal Control Number (ICN) Document Control Number (DCN) Required for all provider types on adjustment requests. (Bill Type/FL=XX7). All providers requesting an adjustment to a previous processed claim insert the ICN/DCN of the claims to be adjusted. Payer A's ICN/DCN should be shown for line A of FL 37.

FLs 39, 40, and 41 - Value Codes and Amounts

Code(s) and related dollar amount(s) identify monetary data that are necessary for the processing of this claim. The codes are two alphanumeric digits and each value allows up

to nine numeric digits (0000000.00). Negative amounts are not allowed, except in FL 41. Whole numbers or non-dollar amounts are right justified to the left of the dollars and cents delimiter. Some values are reported as cents, so refer to specific codes for instructions. If more than one value code is shown for a billing period, show the codes in ascending alphanumeric sequence. There are four lines of data, line "A" through line "D." FLs 39A through 41A are used before FLs 39B through 41B (i.e., the first line is used up before the second line is used and so on).

Value Code Structure (Only codes used to bill Medicare are shown.):

06 - Medicare Blood Deductible - Code indicates the amount the patient paid for un-replaced deductible blood.

13 - ESRD Beneficiary in the 30- Month Coordination Period With an EGHP - Code indicates that the amount shown is that portion of a higher priority EGHP payment on behalf of an ESRD beneficiary that applies to covered Medicare charges on this bill. If the provider enters six zeros (0000.00) in the amount field, it is claiming a conditional payment because the EGHP has denied coverage or there has been a substantial delay in its payment. Where the provider received no payment or a reduced payment because of failure to file a proper claim, this is the amount that would have been payable had it filed a proper claim.

37 - Pints of Blood Furnished - Code indicates the total number of pints of blood or units of packed red cells furnished, whether or not replaced. Blood is reported only in terms of complete pints rounded upwards, e.g., 1 1/4 pints is shown as 2 pints. This entry serves a basis for counting pints towards the blood deductible. Hospital-based and independent renal facilities must complete this item.

38 - Blood Deductible Pints - Code indicates the number of un-replaced deductible pints of blood supplied. If all deductible pints furnished have been replaced, no entry is made. Hospital-based and independent renal facilities must complete this item.

39 - Pints of Blood Replaced - Code indicates the total number of pints of blood donated on the patient's behalf. Where one pint is donated, one pint is replaced. If arrangements have been made for replacement, pints are shown as replaced. Where the provider charges only for the blood processing and administration, i.e., it does not charge a "replacement deposit fee" for un-replaced pints, the blood is considered replaced for purposes of this item. In such cases, all blood charges are shown under the 039x revenue code series, Blood Administration. Hospital-based and independent renal facilities must complete this item.

44 - Amount Provider Agreed To Accept From Primary Payer When This Amount is Less Than Charges But Higher than Payment Received - Code indicates the amount shown is the amount the provider was obligated or required to accept from a primary payer as payment in full when that amount is less than the charges but higher than amount actually received. A Medicare secondary payment is due.

47 - Any Liability Insurance - Code indicates amount shown is that portion from a higher priority liability insurance made on behalf of a Medicare beneficiary that the provider is applying to Medicare covered services on this bill. If six zeros (0000.00) are entered in

the amount field, the provider is claiming conditional payment because there has been substantial delay in the other payer's payment.

48 - Hemoglobin Reading - Code indicates the hemoglobin reading taken before the last administration of Erythropoietin (EPO) during this billing cycle. This is usually reported in three positions with a decimal. Use the right of the delimiter for the third digit.

49 - Hematocrit Reading - Code indicates the hematocrit reading taken before the last administration of EPO during this billing cycle. This is usually reported in two positions (a percentage) to the left of the dollar/cents delimiter. If the reading is provided with a decimal, use the position to the right of the delimiter for the third digit.

67 - Peritoneal Dialysis - The number of hours of peritoneal dialysis provided during the billing period. Count only the hours spent in the home. Exclude travel time. Report amount in whole units right-justified to the left of the dollar/cents delimiter. (Round to the nearest whole hour.)

68 - Erythropoietin Units - Code indicates the number of units of administered EPO relating to the billing period and reported in whole units to the left of the dollar/cents delimiter. NOTE: The total amount of EPO injected during the billing period is reported. If there were 12 doses injected, the sum of the units administered for the 12 doses is reported as the value to the left of the dollar/cents delimiter.

71 - Funding of ESRD Networks - Code indicates the amount of Medicare payment reduction to help fund the ESRD networks. This amount is calculated by the FI and forwarded to CWF. (See [§120](#) for discussion of ESRD networks).

*A8 – Weight of Patient – Code indicates the weight of the patient in kilograms. This amount is utilized to calculate body mass index (BMI). The weight of the patient should be measured at the beginning of the month.*

*A9 – Height of Patient – Code indicates the height of the patient in centimeters. This amount is utilized to calculate BMI. The height of the patient should be measured at the beginning of the month.*

#### FL 42 - Revenue Codes

The revenue code for the appropriate treatment modality under the composite rate is billed (e.g., 0821 for hemodialysis). Services included in the composite rate and related charges must not be shown on the bill separately. Hospitals must maintain a log of these charges in their records for cost apportionment purposes.

Services which are provided but which are not included in the composite rate may be billed as described in sections that address those specific services.

082X - Hemodialysis - Outpatient or Home Dialysis - A waste removal process performed in an outpatient or home setting, necessary when the body's own kidneys have failed. Waste is removed directly from the blood. Detailed revenue coding is required. Therefore, services may not be summed at the zero level.

|  |                 |
|--|-----------------|
| 0 - General Classification               | HEMO/OP OR HOME |
| 1 - Hemodialysis/Composite or other rate | HEMO/COMPOSITE  |
| 2 - Home Supplies                        | HEMO/HOME/SUPPL |
| 3 - Home Equipment                       | HEMO/HOME/EQUIP |

|                                   |                   |
|-----------------------------------|-------------------|
| 4 - Maintenance 100%              | HEMO/HOME/100%    |
| 5 - Support Services              | HEMO/HOME/SUPSERV |
| 9 - Other Hemodialysis Outpatient | HEMO/HOME/OTHER   |

083X - Peritoneal Dialysis - Outpatient or Home - A waste removal process performed in an outpatient or home setting, necessary when the body's own kidneys have failed. Waste is removed indirectly by instilling a special solution into the abdomen using the peritoneal membrane as a filter.

|  |                       |
|--|-----------------------|
| 0 - General Classification             | PERITONEAL/OP OR HOME |
| 1 - Peritoneal/Composite or other rate | PERTNL/COMPOSITE      |
| 2 - Home Supplies                      | PERTNL/HOME/SUPPL     |
| 3 - Home Equipment                     | PERTNL/HOME/EQUIP     |
| 4 - Maintenance 100%                   | PERTNL/HOME/100%      |
| 5 - Support Services                   | PERTNL/HOME/SUPSERV   |
| 9 -Other Peritoneal Dialysis           | PERTNL/HOME/OTHER     |

084X - Continuous Ambulatory Peritoneal Dialysis (CAPD) - Outpatient - A continuous dialysis process performed in an outpatient or home setting, which uses the patient's peritoneal membrane as a dialyzer.

|                                  |                   |
|----------------------------------|-------------------|
| 0 - General Classification       | CAPD/OP OR HOME   |
| 1 - CAPD/Composite or other rate | CAPD/COMPOSITE    |
| 2 - Home Supplies                | CAPD/HOME/SUPPL   |
| 3 - Home Equipment               | CAPD/HOME/EQUIP   |
| 4 - Maintenance 100%             | CAPD/HOME/100%    |
| 5 - Support Services             | CAPD/HOME/SUPSERV |
| 9 -Other CAPD Dialysis           | CAPD/HOME/OTHER   |

085X - Continuous Cycling Peritoneal Dialysis (CCPD) - Outpatient. - A continuous dialysis process performed in an outpatient or home setting, which uses the patient's peritoneal membrane as a dialyzer.

|                                  |                   |
|----------------------------------|-------------------|
| 0 - General Classification       | CCPD/OP OR HOME   |
| 1 - CCPD/Composite or other rate | CCPD/COMPOSITE    |
| 2 - Home Supplies                | CCPD/HOME/SUPPL   |
| 3 - Home Equipment               | CCPD/HOME/EQUIP   |
| 4 - Maintenance 100%             | CCPD/HOME/100%    |
| 5 - Support Services             | CCPD/HOME/SUPSERV |
| 9 -Other CCPD Dialysis           | CCPD/HOME/OTHER   |

#### FL 44 - HCPCS/Rates

When a revenue code in the 083x series (peritoneal dialysis) is placed in FL 42, an entry must also appear in FL 44. This entry identifies the duration (number of hours) of the peritoneal treatments. Peritoneal dialysis is usually done in sessions of 10-24 hours duration 7 days a week, and each session is billed and paid as one treatment. Providers

enter the number of hours for each session in Value Code 67. They also enter the number of sessions (treatments) in FL 46.

Peritoneal dialysis sessions of between 20-29 hours duration is paid as 1 1/2 treatments. However, for purposes of billing, fractions or decimals are not acceptable. The number of treatments is rounded upwards, e.g., 1 1/2 treatments are equal to 2. The total number of treatments is placed in FL 46. The number of hours for each treatment is entered in FL 44 so that proper payment may be made.

Extended peritoneal dialysis sessions of 30 hours or more, given once a week, in place of 2 or 3 sessions of shorter duration are billed and paid as three treatments. Providers enter the number of hours for each session in FL 44. They also enter the number of treatments in FL 46.

Modifiers are required for ESRD Billing for Adequacy of Hemodialysis. ESRD facilities should report information about the range of urea reduction ratio (URR) values through the use of a G modifier attached to the CPT code 90999 in FL 44 of the UB-92. The CPT code and modifier are required for dialysis reported through UB-92 revenue codes 0820, 0821, and 0829.

- G1 Most recent URR of less than 60%
- G2 Most recent URR of 60% to 64%
- G3 Most recent URR of 65% to 69.9%
- G4 Most recent URR of 70% to 74.9%
- G5 Most recent URR of 75% or greater
- G6 ESRD patient for whom less than seven dialysis sessions have been provided in a month

#### FL 46 - Units of Service

Hospital-based and independent renal facilities must complete this item. The entries quantify services by revenue category, e.g., number of dialysis treatments. Units are defined as follows:

0634 - Erythropoietin (EPO) - Administrations, i.e., the number of times an injection of less than 10,000 units of EPO was administered.

0635 - Erythropoietin (EPO) - Administrations, i.e., the number of times an injection of 10,000 units or more of EPO was administered.

082X - (Hemodialysis) - Sessions

083X - (Peritoneal) - Sessions

084X - (CAPD) - Days covered by the bill

085X - (CCPD) - Days covered by the bill

#### FL 47 - Total Charges

Hospital-based and independent renal facilities must complete this item. Hospital-based facilities show their customary charges that correspond to the appropriate revenue code in FL 42. They must not enter their composite or the EPO rate as their charge. Independent facilities may enter their composite and/or EPO rates.

Neither revenue codes nor charges for services included in the composite rate may be billed separately (see [§90.3](#) for a description). Hospitals must maintain a log of these charges in their records for cost apportionment purposes.

Services which are provided but which are not included in the composite rate may be billed as described in sections that address those specific services.

The last revenue code entered in FL 42 as 0001 represents the total of all charges billed.

## 60.4 - Epoetin Alfa (EPO)

*(Rev.373, Issued: 11-19-04, Effective: 01-01-05, Implementation: 01-03-05)*

Coverage rules for EPO are explained in the Medicare Benefit Policy Manual, Chapter 11. For an explanation of Method I and Method II reimbursement for patients dialyzing at home, see [§40.1](#).

Intermediaries pay for EPO to ESRD facilities as a separately billable drug to the composite rate. No additional payment is made to administer EPO, whether in a facility or a home. *Effective January 1, 2005, the cost of supplies to administer EPO may be billed to the FI. HCPCS A4657 and Revenue Code 270 should be used to capture the charges for syringes used in the administration of EPO.*

If the beneficiary obtains EPO from a supplier for self-administration, the supplier bills the DMERC and the DMERC pays at the rate shown in [§60.4.3](#)

Program payment may not be made to a physician for EPO for self-administration. Where EPO is furnished by a physician payable as, “incident to services” the carrier processes the claim.

### EPO Payment Methodology

| Type of provider   | Separately Billable | DMERC Payment | No payment |
|--|---------------------|---------------|------------|
| In-facility freestanding and hospital based ESRD facility      | X                   |               |            |
| Self-administer Home Method I                                  | X                   |               |            |
| Self administer Home Method II                                 |                     | X             |            |
| Incident to physician in facility or for self-administration * |                     |               | X          |

\* Medicare pays for a drug if self-administered by a dialysis patient when EPO is a renal facility, the service is not an “incident to” service and not under the “incident to” provision.

The Dialysis Outcomes Quality Initiative recommends a threshold hematocrit value range of 33 to 36 percent. National policy requires FIs and carriers to identify practitioners with an atypical number of patients with hematocrit levels above a 90-day rolling average of 37.5 percent for routine medical; review activities, such as provider education or pre-payment reviews. That is, medical documentation is not required for a single value over 36 percent. However, FIs and carriers must make a determination upon post payment review if the treating physician argues it is medically necessary to have a target hematocrit that is greater than 36 percent (which would then exceed the rolling average of 37.5 percent). These hematocrit requirements apply only to EPO furnished as an ESRD benefit under [§1881\(b\)](#) of the Social Security Act (the Act). EPO furnished incident to a

physician's service is not included in this policy. Carriers have discretion for local policy for EPO furnished as "incident to service."

#### **60.4.1 - Epoetin Alfa (EPO) Facility Billing Requirements Using UB-92/Form CMS-1450**

*(Rev.373, Issued: 11-19-04, Effective: 01-01-05, Implementation: 01-03-05)*

Revenue codes 0634 and 0635 are used to report EPO. Code 0634 reports the number of administrations under 10,000 units and 0635 reports the number of administrations of 10,000 or more.

The number of units of EPO administered during the billing period is reported with value code 68.

The hematocrit reading taken prior to the last administration of EPO during the billing period must also be reported on the UB-92/Form CMS-1450 with value code 49.

The hemoglobin reading taken during the billing period must be reported on the UB-92/Form CMS-1450 with value code 48.

The HCPCS code for EPO must be included: Q4055 – Injection, Epoetin alfa, 1,000 units (for ESRD on Dialysis).

Either the hematocrit or the hemoglobin reading is required on the bill. The FI must retain the hematocrit (HCT) or hemoglobin (hgb) reading in a format accessible to the claims process for use to average readings for a 90-day period on future claims.

The statutory payment allowance for EPO (\$10 per 1000 units) is the only allowance for the drug and its administration when used for ESRD patients. *Effective January 1, 2005, EPO will be paid based on the ASP Pricing File. Effective January 1, 2005, the cost of supplies to administer EPO may be billed to the FI. HCPCS A4657 and Revenue Code 270 should be used to capture the charges for syringes used in the administration of EPO.*

The maximum number of administrations of EPO for a billing cycle is 13 times in 30 days and 14 times in 31 days.

### 60.4.3 - Payment Amount for Epoetin Alfa (EPO)

*(Rev.373, Issued: 11-19-04, Effective: 01-01-05, Implementation: 01-03-05)*

For Method I patients, the FI pays the facility \$10 per 1,000 units of EPO administered, rounded to the nearest 100 units (i.e., \$1.00 per 100 units). *Effective January 1, 2005, the cost of supplies to administer EPO may be billed to the FI. HCPCS A4657 and Revenue Code 270 should be used to capture the charges for syringes used in the administration of EPO.* Where EPO is furnished by a supplier that is not a facility, the DMERC pays at the same rate.

Prior to January 1, 1994, the Method I payment was \$11 per 1,000 units. The statutory payment allowance for EPO is the only allowance for the drug and its administration. *Effective January 1, 2005, the cost of supplies to administer EPO may be billed to the FI. HCPCS A4657 and Revenue Code 270 should be used to capture the charges for syringes used in the administration of EPO.*

Payment for medical supplies for the administration of EPO, whether in the home or in a facility, is included in the Medicare payment rate for EPO.

Physician payment is calculated through the drug payment methodology described in Chapter 17 of the Claims Processing Manual.

The composite rate add-on amount (the current \$10 per 1,000 unit rate and the past \$11 per 1,000 unit rate) is updated nationally by CMS. *Effective January 1, 2005, EPO will be paid based on the ASP Pricing File.* This add-on does not vary geographically and is the same for hospital-based and independent dialysis facilities.

**EXAMPLE:** The billing period is 2/1/94 - 2/28/94.  
The facility provides the following:

| Date | Units | Date | Units |
|------|-------|------|-------|
| 2/1  | 3000  | 2/15 | 2500  |
| 2/4  | 3000  | 2/18 | 2500  |
| 2/6  | 3000  | 2/20 | 2560  |
| 2/8  | 3000  | 2/22 | 2500  |
| 2/11 | 2500  | 2/25 | 2000  |
| 2/13 | 2500  | 2/27 | 2000  |

Total 31,060 units

For value code 68, the facility enters 31,060. The 31,100 are used to determine the rate payable. This is 31,060 rounded to the nearest 100 units. The amount payable is  $31.1 \times \$10 = \$311.00$ . In their systems, FIs have the option of setting up payment of \$1.00 per 100 units. *Effective January 1, 2005, EPO will be paid based on the ASP Pricing File.*

**EXAMPLE:** 311 x \$1.00 = \$311.00

If an ESRD beneficiary requires 10,000 units or more of EPO per administration, special documentation must accompany the claim. It must consist of a narrative report that addresses the following:

- Iron deficiency. Most patients need supplemental iron therapy while being treated, even if they do not start out iron deficient;
- Concomitant conditions such as infection, inflammation, or malignancy. These conditions must be addressed to assure that EPO has maximum effect;
- Unrecognized blood loss. Patients with kidney disease and anemia may easily have chronic blood loss (usually gastrointestinal) as a major cause of anemia. In those circumstances, EPO is limited in effectiveness;
- Concomitant hemolysis, bone marrow dysplasia, or refractory anemia for a reason other than renal disease, e.g., aluminum toxicity;
- Folic acid or vitamin B12 deficiencies;
- Circumstances in which the bone marrow is replaced with other tissue, e.g., malignancy or osteitis fibrosa cystica; and
- Patient's weight, the current dose required, a historical record of the amount that has been given, and the hematocrit response to date.

### **60.4.3.2 – Epoetin Alfa (EPO) Provided in the Hospital Outpatient Departments**

*(Rev.373, Issued: 11-19-04, Effective: 01-01-05, Implementation: 01-03-05)*

For patients with chronic renal failure who are not yet on a regular course of dialysis, EPO administered in a hospital outpatient department is paid under the Outpatient Prospective Payment System (OPPS).

Hospitals use type of bill 13X and report charges under revenue code 0636 with HCPCS code Q0136 and without value codes 48, 49, 68 or condition codes 70 through 76.

When ESRD patients come to the hospital for a medical emergency their dialysis related anemia may also require treatment. For patients with ESRD who are on a regular course of dialysis, EPO administered in a hospital outpatient department is paid using the statutory rate for EPO given to an ESRD beneficiary. *Effective January 1, 2005, EPO will be paid based on the ASP Pricing File.*

Hospitals use type of bill 13X and report charges under the respective revenue code 0634 for EPO less than 10,000 units and revenue code 0635 for EPO over 10,000 units with HCPCS code Q4055. The total number of units as a multiple of 1000 units is placed in the unit field. Value code 49 will contain the hematocrit value for the hospital outpatient visit.

**60.7 – Darbepoetin Alfa (Aranesp) for ESRD Patients.**

*(Rev.373, Issued: 11-19-04, Effective: 01-01-05, Implementation: 01-03-05)*

Coverage rules Aranesp are explained in the Medicare Benefit Policy Manual, Chapter 11. For an explanation Method I and Method II reimbursement for patients dialyzing at home see [§40.1](#).

Intermediaries pay for Aranesp to ESRD facilities as a separately billable drug to the composite rate. No additional payment is made to administer Aranesp, whether in a facility or a home. *Effective January 1, 2005, the cost of supplies to administer Aranesp may be billed to the FI. HCPCS A4657 and Revenue Code 270 should be used to capture the charges for syringes used in the administration of Aranesp.*

If the beneficiary obtains Aranesp from a supplier for self-administration, the supplier bills the DMERC, and the DMERC pays in accordance with MMA Drug Payment Limits Pricing File.

Program payment may not be made to a physician for self-administration of Aranesp. When Aranesp is furnished by a physician as “incident to services,” the carrier processes the claim.

For ESRD patients on maintenance dialysis treated in a physician’s office, code Q4054, “injection, darbepoetin alfa, 1 mcg (for ESRD patients),” should continue to be used with the hematocrit included on the claim. (For ANSI 837 transactions, the hematocrit (HCT) value is reported in 2400 MEA03 with a qualifier of R2 in 2400 MEA02.) Claims without this information will be denied due to lack of documentation. Physicians who provide Aranesp for ESRD patients on maintenance dialysis must bill using code Q4054.

**Darbepoetin Alfa Payment Methodology**

| <b>Type of provider</b>  | <b>Separately Billable</b> | <b>DMERC Payment</b> | <b>No Payment</b> |
|--|----------------------------|----------------------|-------------------|
| In-facility freestanding and hospital based ESRD facility      | X                          |                      |                   |
| Self-administer Home Method I                                  | X                          |                      |                   |
| Self administer Home Method II                                 |                            | X                    |                   |
| Incident to physician in facility or for self-administration * |                            |                      | X                 |

- Medicare pays for a drug if self-administered by a dialysis patient. When Aranesp is administered in a dialysis facility, the service is not an “incident to” service, and not under the “incident to” provision.

The Dialysis Outcomes Quality Initiative recommends a threshold hematocrit value range of 33 to 36 percent. National policy requires FIs and carriers to identify practitioners with an atypical number of patients with hematocrit levels above a 90-day rolling average of 37.5 percent for routine medical; review activities, such as provider education or pre-payment reviews. That is, medical documentation is not required for a single value over 36 percent. However, FIs and carriers must make a determination upon post payment review if the treating physician argues it is medically necessary to have a target hematocrit that is greater than 36 percent (which would then exceed the rolling average of 37.5 percent). These hematocrit requirements apply only to Aranesp furnished as an ESRD benefit under [§1881\(b\)](#) of the Social Security Act (the Act). Aranesp furnished incident to a physician's service is not included in this policy. Carriers have discretion for local policy for Aranesp furnished as "incident to service."

### **60.7.1 – Darbepoetin Alfa (Aranesp) Facility Billing Requirements Using UB-92/Form CMS-1450**

*(Rev.373, Issued: 11-19-04, Effective: 01-01-05, Implementation: 01-03-05)*

HCPCS code Q4054 is placed in FL 44. Revenue code 0636 is used to report for ESRD patients on maintenance dialysis.

The hematocrit reading taken prior to the last administration of Aranesp during the billing period must also be reported on the UB-92/Form CMS-1450 with value code 49.

The hematocrit reading is required. The FI must retain the hematocrit (HCT) reading in a format accessible to the claims process ~~for use~~ to average readings for a 90-day period on future claims.

The payment allowance for Aranesp is the only allowance for the drug and its administration when used for ESRD patients. *Effective January 1, 2005, the cost of supplies to administer Aranesp may be billed to the FI. HCPCS A4657 and Revenue Code 270 should be used to capture the charges for syringes used in the administration of Aranesp.* The maximum number of administrations of Aranesp for a billing cycle is 5 times in 30/ 31days.

### **60.7.3 - Payment Amount for Darbepoetin Alfa (Aranesp)**

**(Rev.373, Issued: 11-19-04, Effective: 01-01-05, Implementation: 01-03-05)**

For Method I patients, the FI pays the facility per one mcg of Aranesp administered, in accordance with the MMA Drug Payment Limits Pricing File rounded up to the next highest whole mcg. *Effective January 1, 2005, Aranesp will be paid based on the ASP Pricing File. Effective January 1, 2005, the cost of supplies to administer Aranesp may be billed to the FI. HCPCS A4657 and Revenue Code 270 should be used to capture the charges for syringes used in the administration of Aranesp.*

Physician payment is calculated through the drug payment methodology described in Chapter 17, of the Claims Processing Manual.

The coinsurance and deductible are based on the Medicare allowance payable, not on the provider's charges. The provider may not charge the beneficiary more than 20 percent of the Medicare Aranesp allowance. This rule applies to independent and hospital based renal facilities.

### **60.7.3.2 - Payment for Darbepoetin Alfa (Aranesp) in the Hospital Outpatient Department**

*(Rev.373, Issued: 11-19-04, Effective: 01-01-05, Implementation: 01-03-05)*

For patients with chronic renal failure who are not yet on a regular course of dialysis, Aranesp administered in a hospital outpatient department is paid under the OPDS. Hospitals use bill type 13X and report charges under revenue code 0636, with HCPCS code Q0137 and without value codes 48, 49, 68 or condition codes 70-76.

When ESRD patients come to the hospital for a medical emergency their dialysis related anemia may also require treatment. For patients with ESRD who are on a regular course of dialysis, Aranesp administered in a hospital outpatient department is paid the MMA Drug Pricing File rate. *Effective January 1, 2005, Aranesp will be paid based on the ASP Pricing File.*

Hospitals use bill type 13X and report charges under revenue code 0636, with HCPCS code Q4054. The total number of units as a multiple of 1mcg is placed in the unit field. Value code 49 will contain the hematocrit value for the hospital outpatient visit. In this case, the DMERC makes payment at the same rate that applies to facilities. Program payment may not be made for Aranesp furnished by a physician to a patient for self-administration.