
CMS Manual System

Pub. 100-16 Medicare Managed Care

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

Transmittal 74

Date: October 14, 2005

SUBJECT: Changes in Manual Instructions for Payment Principles for Cost Based HMO/CMPs

I. SUMMARY OF CHANGES: This revision adds a description of which CMS contractor processes claims for dialysis and related services.

CLARIFICATION - EFFECTIVE DATE: Not Applicable

II. CHANGES IN MANUAL INSTRUCTIONS: (R = REVISED, N = NEW)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	Chapter 17B/240/End Stage Renal Disease.

III. ATTACHMENTS:

	Business Requirements
X	Manual Instruction
	Confidential Requirements
	One-Time Special Notification

240 - End Stage Renal Disease (ESRD)

(Rev. 74, Issued: 10-14-05, Effective Date: 10-14-05)

Individuals who have been medically determined to have ESRD are not eligible to elect to enroll in a cost-based HMO/CMP. However, individuals already enrolled in the organization who subsequently become eligible for Medicare because of ESRD, and aged Medicare enrollees who subsequently develop ESRD, cannot be disenrolled from the organization as a result of the development of ESRD. Special limitations apply to Medicare program payment for ESRD services. *For dialysis and related services, CMS carriers process physician claims and CMS intermediaries process facility claims.*

The amount CMS pays to a cost-based HMO/CMP for services rendered to individuals with ESRD will be limited to the amount CMS would otherwise pay for services rendered to these individuals if they were not enrollees of the organization. Generally, effective on or after August 1, 1983, Medicare payment for ESRD services is made to the dialysis facility on the basis of one of two prospective composite rates: one rate for hospital-based ESRD facilities and one rate for independent dialysis facilities. Patients dialyzing at home have the option of having these services paid for under the composite rate system or dealing directly with the Medicare program to receive payment on a FFS basis for items and services provided.

For a full discussion of ESRD reimbursement under Medicare, see Chapter 27 of the "Provider Reimbursement Manual" (Pub. 15), Part I. In addition, general information on coverage, entitlement, and billing for ESRD services under Medicare can be obtained from either the Renal Dialysis Facility Manual or the Hospital Manual.